

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Delhi Charter Township	County Ingham
Fiscal Year End December 31, 2007	Opinion Date April 22, 2008	Date Audit Report Submitted to State April 23, 2008	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

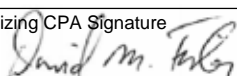
YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) Rehmann Robson		Telephone Number 517-787-6503		
Street Address 675 Robinson Road		City Jackson County	State Mi	Zip 49203
Authorizing CPA Signature 		Printed Name David M. Fisher, CPA		License Number 10337

Charter Township of Delhi

Holt, Michigan



Comprehensive Annual Financial Report

For the Year Ended December 31, 2007

Prepared by:

Accounting Department

CHARTER TOWNSHIP OF DELHI
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2007

TABLE OF CONTENTS

	<u>PAGE</u>
 <i>INTRODUCTORY SECTION</i>	
Letter of Transmittal	i-iv
Organizational Chart of Services	v
List of Elected and Appointed Officials	vi
 <i>FINANCIAL SECTION</i>	
Independent Auditors' Report.....	1-2
Management's Discussion and Analysis.....	3-12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities.....	14-15
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets	17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund.....	20-21
Statement of Net Assets – Enterprise Funds	22
Statement of Revenues, Expenses and Changes in Fund Net Assets – Enterprise Funds	23
Statement of Cash Flows – Enterprise Funds.....	24-25
Statement of Fiduciary Net Assets	26
Statement of Changes in Fiduciary Net Assets – Private Purpose Trust Fund.....	27
Combining Statement of Net Assets – Component Units	28
Combining Statement of Activities – Component Units.....	29
Notes to the Financial Statements	30-50

CHARTER TOWNSHIP OF DELHI
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2007

TABLE OF CONTENTS (Concluded)

	<u>PAGE</u>
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	51
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	52
Combining Balance Sheet – Nonmajor Special Revenue Funds	53
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	54
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Amended Budget and Actual – Nonmajor Special Revenue Funds.....	55-56
Combining Balance Sheet – Nonmajor Debt Service Funds	57
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds.....	58
Schedule of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Debt Service Funds	59-60
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds.....	61
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	62
Statement of Net Assets / Governmental Funds Balance Sheet – Brownfield Redevelopment Authority Component Unit	63
Statement of Activities / Governmental Funds Revenues, Expenditures, and Changes in Fund Balances – Brownfield Redevelopment Authority Component Unit	64
Statement of Net Assets / Governmental Funds Balance Sheet – Downtown Development Authority Component Unit	65-66
Statement of Activities / Governmental Funds Revenue, Expenditures, and Changes in Fund Balances – Downtown Development Authority Component Unit	67-68
<i>STATISTICAL SECTION</i>	
Financial Trends:	
Net Assets by Component	69
Changes in Net Assets.....	70-71
Fund Balances – Governmental Funds.....	72
Changes in Fund Balances, Governmental Funds.....	73
Revenue Capacity:	
Assessed Value and Taxable Value of Property	74
Property Tax Rates - Direct and Overlapping Governments	75
Top Ten Principal Taxpayers	76
Property Tax Levies and Collections	77
Debt Capacity:	
Ratios of Outstanding Debt by Type.....	78
Ratios of General Bonded Debt Outstanding	79
Computation of Direct and Overlapping Debt	80
Legal Debt Margin Information	81
Demographic and Economic Information:	
Demographic and Economic Statistics.....	82
Principal Employers	83
Full-Time Equivalent Township Government Employees by Function.....	84
Operating Indicators by Function.....	85
Capital Asset Statistics by Function	86

INTRODUCTORY SECTION



DELHI CHARTER TOWNSHIP

2074 AURELIUS ROAD
PHONE: (517) 694-2136

HOLT, MICHIGAN 48842-6320
FAX: (517) 268-3069

April 22, 2008

To the Board of Trustees and the Citizens of Delhi Charter Township:

The Comprehensive Annual Financial Report (CAFR) for Delhi Charter Township, Michigan for the year ended December 31, 2007 is hereby submitted. The report represents a comprehensive and detailed picture of our financial transactions during fiscal year 2007 and the financial condition of the various funds as of the fiscal year end.

The Management of Delhi Charter Township is responsible for the accuracy of data, completeness, and fairness of the presentation, including all disclosures. Internal controls have been established for this purpose. Since the cost of internal control should not be greater than the benefits received, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Rehmann Robson, Certified Public Accountants, have issued an unqualified ("clean") opinion on Delhi Charter Township's financial statements for the year ended December 31, 2007. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of Delhi Charter Township

The Township was founded April 4, 1842 and is incorporated under the provisions of Public Act 359 of 1947 as amended. It became a Charter Township on September 18, 1961.

There are seven members elected to the Board of Trustees including a Supervisor (part-time), Clerk, Treasurer, and four Trustees. Board members serve four-year terms and have policy-making and legislative authority. The Board appoints the Township Manager who in turn appoints the department heads subject to confirmation by the Township Board.



The Township encompasses approximately 28.5 square miles and is located just south of Lansing, the capital city of Michigan. It is in close proximity to Michigan State University, Capitol City Airport, Lansing Community College, Cooley Law School, and two major hospitals. Population in 2007 was approximately 25,000 residents.

The following services are provided by the Township: fire and ambulance services; police services (contracted through Ingham County); parks and recreation; planning, building, and zoning, sanitary sewer collection and treatment, and cemetery. Public water is provided through the Lansing's Board of Water and Light; street lights are provided by either Consumers Power or Lansing's Board of Water and Light; public streets are under the jurisdiction of the Ingham County Road Commission; and public storm sewers are under the jurisdiction of the Ingham County Drain Commission.

The Board is required to adopt a final budget for the ensuing year by December 31st of the previous year. The budget is divided into various funds (e.g. general fund) and is adopted by departments (e.g. fire). Transfers between departments up to \$10,000 may be made by the Township Manager and reported to the Board at the next regular Board meeting. The Township Board must approve all budget amendments.

Local economy

During 2007, the State of Michigan continued to experience declines in revenue along with a relatively high unemployment rate that rose to 7.4% in 2007. This contributed to a downturn in certain aspects of the Township's financial resources. For example, the revenue the Township receives from the State of Michigan, which is based on several factors (sales tax received by the State is one), has continued to decline in every year since 2001 when revenue sharing accounted for 30% of the total General Fund budget.

The considerable growth in residential development that the Township experienced from 2000-2005 was substantially curtailed in 2006 and 2007. The associated revenues in the Department of Community Development (building permits, mechanical permits, etc.) dramatically declined as well.

Additionally, the issue of foreclosed properties that plagued the nation, and particularly the State of Michigan, was evidenced in Delhi Township as well. There were 102 foreclosed properties in 2006 and 141 in 2007. Also, any decline in the taxable value of real property would adversely affect property tax revenue in 2009.

Long-term financial planning

The Township Board has adopted a reserve policy whereby the Township will strive to maintain an amount of unreserved fund balance in the General Fund of no less than fifteen (15) percent of general fund operating expenditures. Unreserved, undesignated fund balance at 12/31/07 was 37% of general fund expenditures.

Although fund balance in the General Fund decreased for 3 consecutive years from 2004 to 2006, fund balance in 2007 increased slightly. The Township Board and management staff closely monitored the Township's reserves throughout the year and were successful in increasing revenue and decreasing expenditures. This was done through a variety of mechanisms including staff and benefit reductions.

The dedicated millage for fire equipment and apparatus, and training and education expires in 2008. The voters will be asked to renew this millage which originated in 1990.

Relevant financial policies

The Capital Improvements Program has been formally integrated into the budget process for the first time. This allows for better communication of department and board goals which enhances the decision making process for the budget.

Major initiatives

Two new digesters (which are used for treating sewage sludge) are under construction at the Publicly Owned Treatment Plant (POTW). The current digester has reached its capacity. The new digesters will meet the anticipated growth for the next twenty years. Funding for this project is through a combination of government grants, loans, and sewer usage charges.

A new Senior Center will be constructed with funds from the Delhi Downtown Development Authority. The Center is scheduled to open in mid 2009. Bonds will be issued to fund the project.

Awards and acknowledgements

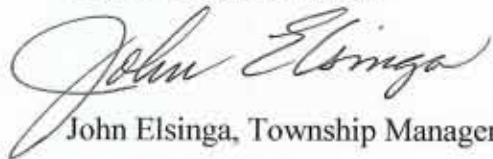
The Township received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for its annual budget document dated December 31, 2006. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The Township is submitting this document, the comprehensive annual financial report (CAFR), to the Government Finance Officers Association for award consideration for the Certificate of Achievement for Excellence in Financial Reporting. If awarded, it will mean that the Township's CAFR is easily readable and efficiently organized satisfying both generally accepted accounting principles and applicable legal requirements.

The preparation of this report would not have been possible without the dedicated service of the Accounting Department along with the excellent cooperation from all

Departments. We wish to express our sincere appreciation to all staff members who assisted in the preparation of this report.

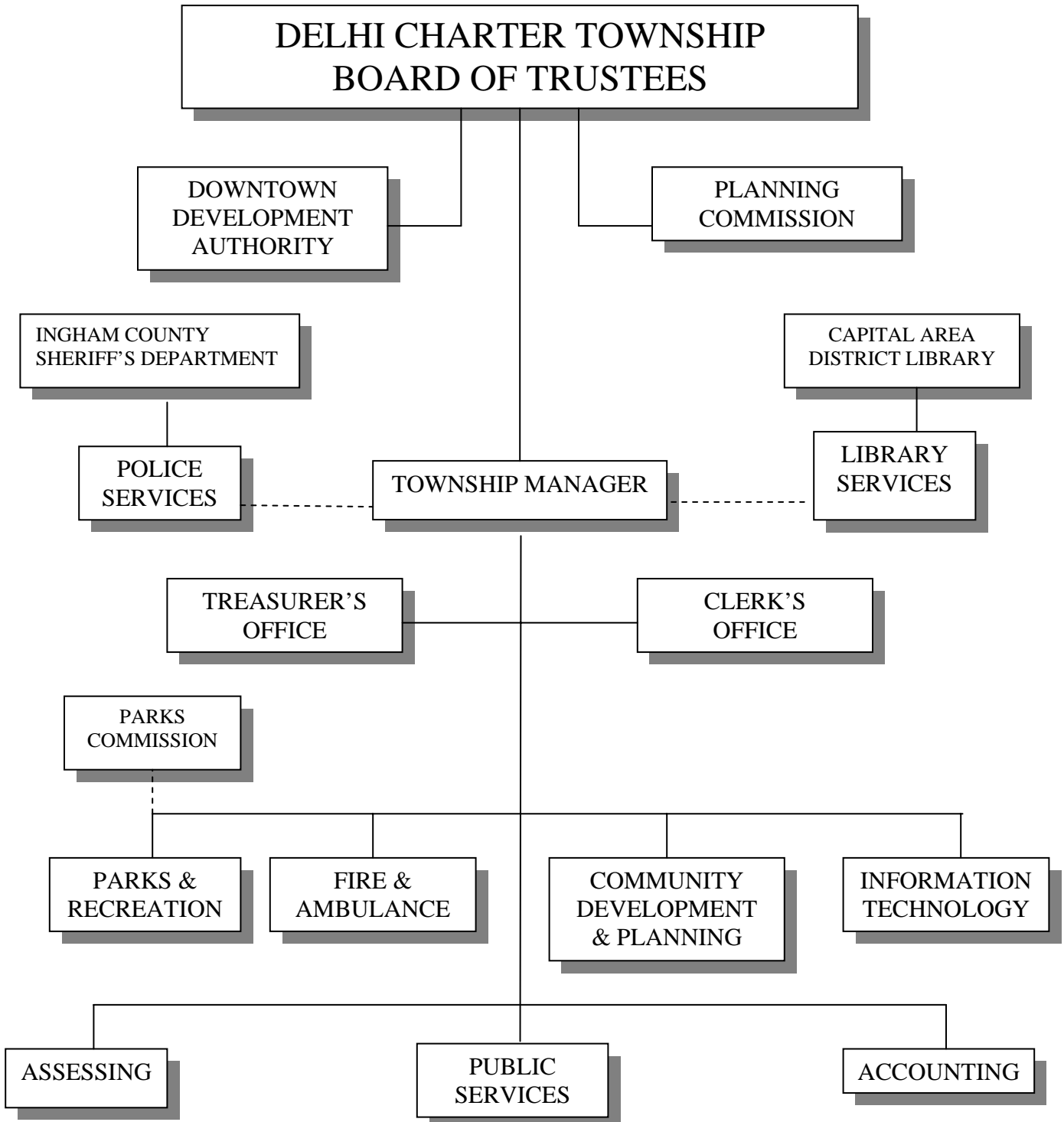
Respectfully submitted,


John Elsinga, Township Manager


Marian Frane, Director of Accounting



Delhi Charter Township Organizational Chart of Services





Board of Trustees

Supervisor	Stuart Goodrich
Clerk	Evan Hope
Treasurer	Harry R. Ammon
Trustee	John Hayhoe
Trustee	Paul Krepps
Trustee	Jerry Ketchum
Trustee	Roy Sweet

Executive Staff

Township Manager	John Elsinga
Accounting Director	Marian Frane
Assessor	Steve Hudson
Assistant Twp Mgr for Human Resources	Wendy Thielen
Community Development Director	Tracy Miller
Downtown Development Auth. Exec. Dir.	Al McFadyen
Fire Chief	Rick Royston
Information Technology Director	Jim Felton
Parks & Recreation Director	Mark Jenks
Public Services Director	Sandra Diorka

FINANCIAL SECTION



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP



INDEPENDENT AUDITORS' REPORT

April 22, 2008

The Board of Trustees
Charter Township of Delhi
Holt, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the **CHARTER TOWNSHIP OF DELHI, MICHIGAN**, as of and for the year ended December 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Delhi, Michigan, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparisons for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3-12 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Delhi's basic financial statements. The introductory section, combining and individual fund financial statements and budgetary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Lehmann Johnson". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION and ANALYSIS

Management's Discussion and Analysis

As management of Delhi Charter Township, Michigan, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2007.

Financial Highlights

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$48,401,005 (*net assets*). Of this amount, \$6,764,724 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$789,759.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$4,734,031, an increase of \$320,335 in comparison with the prior year. Over 96% of this total amount, or \$4,576,333, is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$2,757,433 or 42 percent of total general fund expenditures.
- The Township's total bonded debt decreased by \$976,000 during the current fiscal year; no new bonded debt was issued and \$976,000 of existing debt was retired.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include legislative, general government, public safety, public works, and parks and recreation. The business-type activities of the Township include sewer and community development operations.

The government-wide financial statements include not only the Township itself (known as the *primary government*), but also two legally separate authorities – the Downtown Development Authority and the Brownfield Redevelopment Authority – for which the Township is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 13-15 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Township adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 16-21 of this report.

Proprietary funds. There are two types of proprietary funds – enterprise and internal service. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Township uses two enterprise funds – one to account for its sanitary sewer operations and the other for community development. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Township's various functions. The Township does not use internal service funds at this time.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 22-25 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 26-27 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-50 of this report.

Other information. In addition to the basic financial statements and accompanying notes this report also presents certain supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes. Combining and individual fund statements and schedules can be found on pages 51-68 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Delhi Charter Township, assets exceeded liabilities by \$48,401,005 at the close of the most recent fiscal year.

By far the largest portion of the Township's net assets (75 percent) reflects its investment in capital assets (e.g. infrastructure, land, buildings, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Delhi Charter Township's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$9,454,295	\$9,129,525	\$7,485,075	\$8,233,016	\$16,939,370	\$17,362,541
Capital assets, net	7,180,262	7,566,448	44,105,255	42,741,813	51,285,517	50,308,262
Total assets	\$16,634,557	\$16,695,974	\$51,590,330	\$50,974,829	\$68,224,887	\$67,670,803
Long-term liabilities	2,661,141	3,038,635	10,955,657	10,771,926	13,616,798	13,810,561
Other liabilities	4,440,917	4,485,949	1,766,167	1,763,347	6,207,084	6,248,986
Total liabilities	7,102,058	7,524,584	12,721,824	12,534,973	19,823,882	20,059,557
Net assets:						
Invested in capital assets, net of related debt	4,296,842	4,180,266	32,052,018	30,973,207	36,351,760	35,053,473
Restricted	1,845,176	1,556,782	3,439,345	3,244,209	5,284,521	4,830,991
Unrestricted	3,398,481	3,404,342	3,378,243	4,322,440	6,764,724	7,726,762
Total Net Assets	\$9,532,499	\$9,171,390	\$38,868,506	\$38,439,856	\$48,401,005	\$47,611,246

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

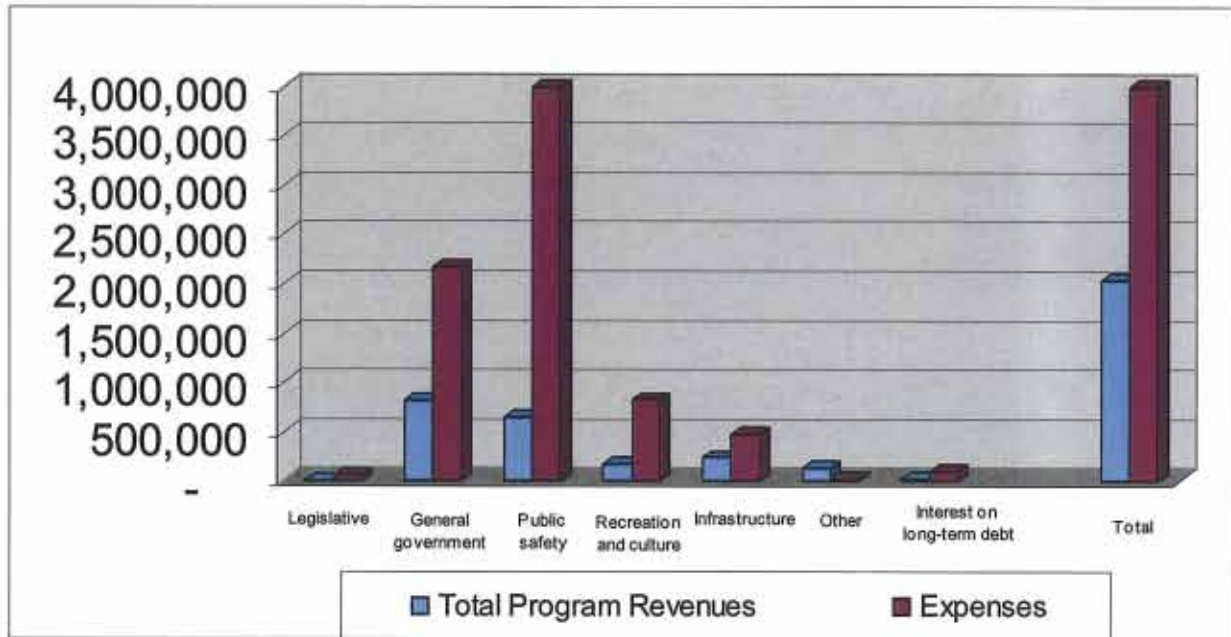
The government's net assets increased by \$789,759 during the current fiscal year. The majority of this growth largely reflects the degree to which ongoing revenues exceeded ongoing expenses.

Delhi Charter Township's Changes in Net Assets

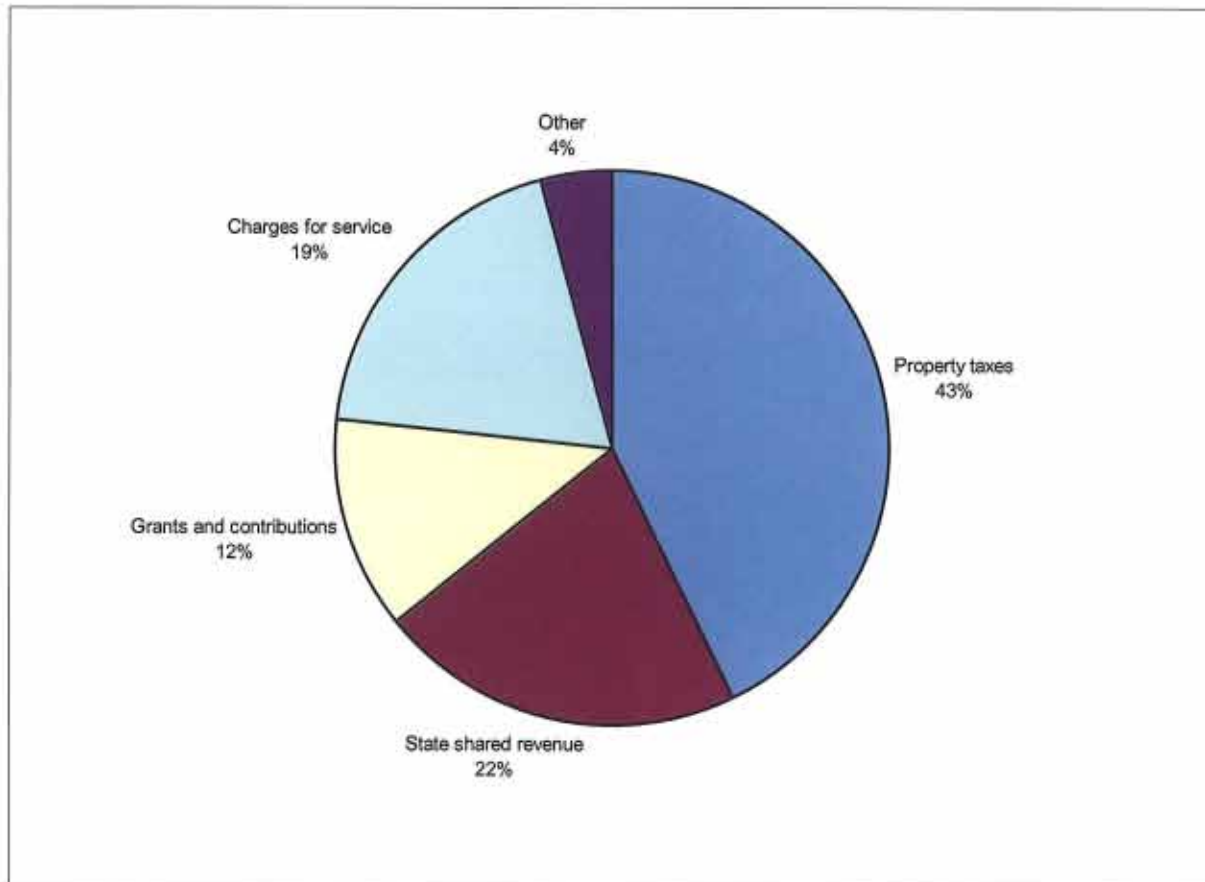
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenue:						
Program revenues:						
Charges for services	\$ 1,556,914	\$ 1,373,491	\$ 5,423,599	\$ 5,865,043	\$ 6,980,513	\$ 7,238,534
Operating grants and contributions	217,929	608,514	493,867	388,458	711,796	996,972
Capital grants and contributions	259,803	114,693	322,539	253,243	581,342	367,936
General revenues:						
Property taxes	3,482,728	3,325,504	-	-	3,482,728	3,325,504
State shared revenue	1,765,856	1,793,179	-	-	1,765,856	1,793,179
Unrestricted grants and contributions	536,536	311,693	258,278	242,789	794,814	554,482
Other	468,821	284,872	-	-	468,821	284,872
Total revenues	8,287,587	7,816,946	6,498,283	6,749,533	14,785,870	14,566,479
Expenses:						
Legislative	61,598	52,332	-	-	61,598	52,332
General government	2,248,507	1,932,514	-	-	2,248,507	1,932,514
Public safety	4,083,262	3,890,919	-	-	4,083,262	3,890,919
Engineering	-	-	-	-	-	-
Recreation and cultural	823,026	770,980	-	-	823,026	770,980
Infrastructure	467,234	488,254	-	-	467,234	488,254
Other governmental activities	16,410	237,858	-	-	16,410	237,858
Interest on long-term debt	103,955	115,218	-	-	103,955	115,218
Sewer	-	-	5,493,927	5,423,789	5,493,927	5,423,789
Community Development	-	-	698,192	599,503	698,192	599,503
Total expenses	7,803,992	7,488,075	6,192,119	6,023,292	13,996,111	13,511,367
Increase in net assets before transfers	483,595	328,871	306,164	726,241	789,759	1,055,112
Transfers	122,486	5,017	(122,486)	(5,017)	-	-
Increase in net assets	361,109	323,854	428,650	731,258	789,759	1,055,112
Net assets - beginning of year	9,171,390	8,847,536	38,439,856	37,708,598	47,511,246	46,556,134
Net assets - end of year	\$ 9,532,499	\$ 9,171,390	\$ 38,868,506	\$ 38,439,856	\$ 48,401,005	\$ 47,611,246

Governmental activities. Governmental activities increased the Township's net assets by \$361,109 during fiscal year 2007.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities

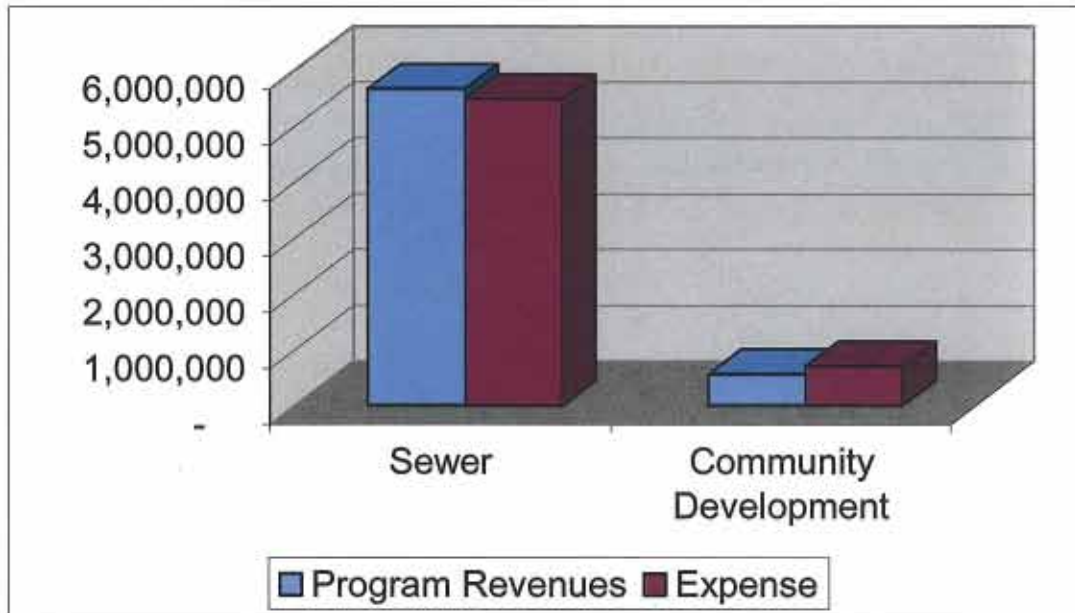


Business-type activities. Business-type activities increased the Township's net assets by \$428,650 during fiscal year 2007 although this was a smaller increase than was experienced in 2006.

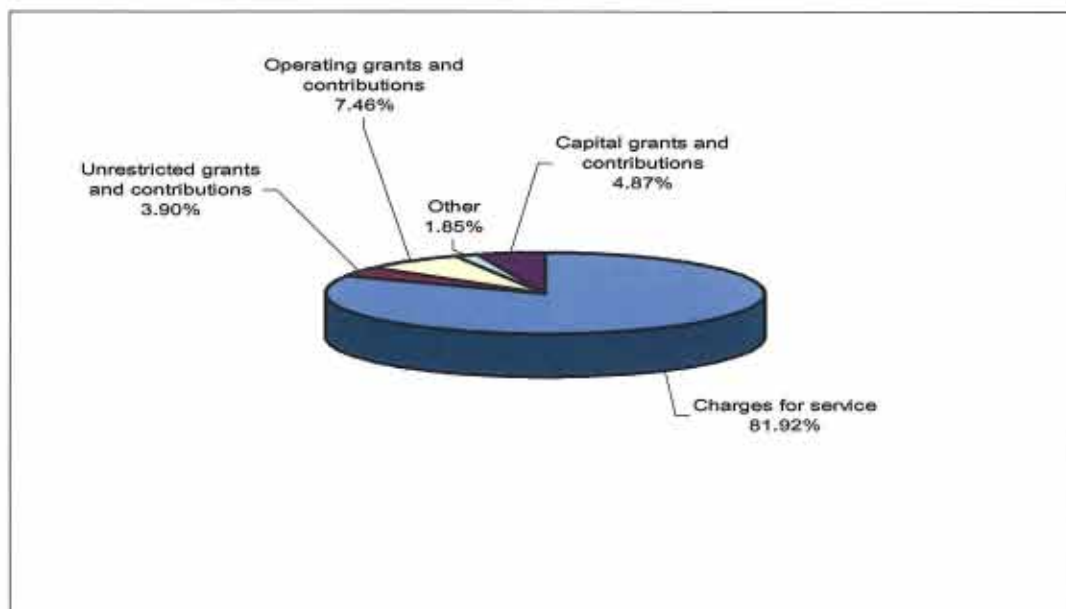
- Key elements of this increase are as follows:

- The majority of increases resulted from the degree to which charges for services exceeded ongoing expenses.
- The smaller increase is a result of a decline in permits issued which is an outcome of the reduction in new construction.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$4,734,031 an increase of \$320,335 in comparison with the prior year. Approximately 97 percent of this total amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed for prepaid expenditures (\$157,698).

The General Fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved fund balance of the general fund was \$2,757,433 while total fund balance was \$2,888,855. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 42 percent of total general fund expenditures.

The fund balance in the Township's General Fund increased by \$61,941 during the current fiscal year. Key factors for this increase are:

- Revenues from property taxes increased by \$128,865.
- Cable franchise fees increased by \$69,730.
- Although state revenue sharing declined once again, \$45,856 more was received than what was conservatively budgeted.
- The Information Systems department spent over \$74,000 less than last year due to a vacancy and fewer computer purchases.
- Actual revenues were 1% greater than budgeted and expenditures were 3.8% less than budgeted.

Proprietary funds. The Township's proprietary funds provide the same type of information found in the government wide financial statements, but in more detail.

Total net assets of the Sewer Fund at the end of the year amounted to \$38,850,127; an increase for the year of \$438,840. Other factors concerning the finances of this fund have already been addressed in the discussion of the Township's business-type activities.

General Fund Budgetary Highlights

During the year there was a net increase of \$113,670 in appropriations (including transfers out) between the original and final amended budget. This increase was a combination of the following increases and decreases in appropriations:

- \$121,000 additional transfer to the Community Development to cover reduced revenues;
- \$95,000 for the purchase of property and additional security systems for the Community Service Center;
- \$62,000 increase in building maintenance and repairs;
- \$55,000 increase due to a change in the salary and benefits allocation method for work performed in the Building & Grounds and Cemetery Departments;
- \$39,000 increase to conclude a mid-decade special census
- \$94,000 decrease in street improvements
- \$81,000 decrease in the Information Systems Department due to a staff vacancy and reduced computer purchases

Additionally, budgeted revenues increased by \$124,200 largely due to higher interest earnings than originally anticipated.

Capital Asset and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental and business type activities as of December 31, 2007, amounted to \$51,285,517 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, infrastructure, buildings and improvements, park and recreation facilities, machinery and equipment and construction in progress. The total increase in the Township's investment in capital assets for the current fiscal year was 2 percent (a 1 percent decrease for governmental activities and a 1 percent increase for business-type activities).

Major capital asset events during the fiscal year included the following:

- Completion of the Veterans Memorial Gardens restrooms for \$278,358.
- Purchased 3 parcels of land for \$74,027.
- Purchased new tractors and a mower for \$54,303.
- Added several sewer mains for \$3,414,878.

Delhi Charter Township's Capital Assets
(net of depreciation)

	Governmental Activities		Business Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 1,585,364	\$ 1,511,337	\$ 776,635	\$ 776,635	\$ 2,361,999	\$ 2,287,972
Infrastructure systems	350,297	360,308	38,669,106	36,866,365	39,019,403	37,226,671
Buildings and improvements	3,167,403	3,012,950	1,219,434	1,255,663	4,386,837	4,268,613
Land improvements	1,230,785	1,345,914	-	-	1,230,785	1,345,914
Machinery and equipment	249,818	294,611	160,509	131,680	410,327	426,291
Furniture and office equipment	95,250	110,615	75,408	90,873	170,658	201,488
Computer equipment and programs	34,635	67,093	129,314	196,597	163,949	263,690
Vehicles	466,710	619,478	416,187	466,360	882,907	1,085,838
Construction in progress	-	244,145	2,658,652	2,957,640	2,658,652	3,201,785
Total	\$ 7,180,262	\$ 7,586,449	\$ 44,105,255	\$ 42,741,813	\$ 51,285,517	\$ 50,308,282

Additional information on the Township's capital assets can be found in note 3-C on pages 39-41 of this report.

Long-term debt. At the end of the current fiscal year, the Township had total debt outstanding of \$15,254,789. Of this amount, \$9,885,000 comprises debt backed by the full faith and credit of the government.

Delhi Charter Township's Outstanding Debt

	Governmental Activities		Business Type Activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$ 2,178,303	\$ 2,597,430	\$ 6,931,698	\$ 7,287,570	\$ 9,110,001	\$ 9,885,000
Special assessment bonds	120,771	160,964	435,229	596,036	556,000	757,000
Revenue bonds	-	-	1,280,410	-	1,280,410	-
Other long-term debt	582,347	627,795	3,405,000	3,985,000	3,987,347	4,612,795
Total	\$ 2,881,421	\$ 3,386,189	\$ 12,052,337	\$ 11,868,606	\$ 14,933,758	\$ 15,254,795

The Township's total bonded debt increased by \$304,411 (8 percent), up to \$10,946,411 during 2007. The Township is participating in a State Revolving Fund loan program whereby up to \$9,850,000 in revenue bonds will be issued as needed. As of 12/31/07, \$1,280,410 had been borrowed.

The Township has an "A+" rating from Standard & Poor's. This is their highest rating and reflects a strong capacity to repay the debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the Township is \$89,012,479, which is significantly in excess of the Township's outstanding general obligation debt.

Additional information on the Township's long-term debt can be found in note 3-F on pages 43-47 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Township's budget for the 2008 fiscal year:

- The emphasis on reducing costs yet providing quality services to our citizens continued to be a major consideration in the 2008 budget development.
- Health care expenditures were budgeted at a 5% increase with the anticipation of reducing the benefits provided through higher employee deductibles and providing a health savings account to employees.
- A review of fees charged in the Community Development Department will be conducted to make sure fees are covering actual costs. This should raise revenues and reduce the transfer needed from the General Fund to cover this shortage.
- Needed road improvements, paid for in conjunction with Ingham County, will be cut back.

During the current fiscal year, unreserved fund balance in the General Fund decreased to \$2,757,433. The Township has appropriated \$500,990 of this amount for spending in the 2008 fiscal year budget. Such appropriation is intended to offset modest revenue increases that do not keep up with increasing costs to maintain the current service commitments to the public.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Accounting, 2074 Aurelius Road, Holt, Michigan 48842-6320. Phone (517) 268-3021. E-mail: marian.frane@delhitownship.com.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF DELHI
Statement of Net Assets
December 31, 2007

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 2,229,051	\$ 1,686,601	\$ 3,915,652	\$ 164,265
Investments	1,818,386	3,999,600	5,817,986	4,811,006
Receivables, net	5,231,234	1,496,115	6,727,349	3,203,074
Prepays and other assets	175,624	302,759	478,383	7,109
Capital assets not being depreciated	1,585,364	3,435,287	5,020,651	5,517,181
Capital assets being depreciated, net	5,594,898	40,669,968	46,264,866	1,442,120
 Total assets	 16,634,557	 51,590,330	 68,224,887	 15,144,755
Liabilities				
Accounts payable and accrued expenses	155,414	631,587	787,001	1,032,694
Unearned revenue	3,763,993	37,900	3,801,893	2,513,930
Long-term liabilities:				
Due within one year	641,469	1,100,014	1,741,483	310,907
Due in more than one year	2,541,182	10,952,323	13,493,505	3,696,797
 Total liabilities	 7,102,058	 12,721,824	 19,823,882	 7,554,328
Net assets				
Invested in capital assets, net of related debt	4,298,842	32,052,918	36,351,760	2,976,996
Restricted for:				
Debt service	125,552	385,422	510,974	-
Specific purposes	1,719,624	3,053,923	4,773,547	-
Unrestricted	3,388,481	3,376,243	6,764,724	4,613,431
 Total net assets	 \$ 9,532,499	 \$ 38,868,506	 \$ 48,401,005	 \$ 7,590,427

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF DELHI
Statement of Activities
For the Year Ended December 31, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 61,598	\$ -	\$ -	\$ -	\$ (61,598)
General government	2,248,507	813,504	-	-	(1,435,003)
Public safety	4,083,262	590,840	50,423	-	(3,441,999)
Recreation and cultural	823,026	152,570	28,876	-	(641,580)
Public works	467,234	-	10,113	229,293	(227,828)
Other governmental activities	16,410	-	118,660	21,899	124,149
Interest on long-term debt	103,955	-	9,857	7,611	(86,487)
Total governmental activities	<u>7,803,992</u>	<u>1,556,914</u>	<u>217,929</u>	<u>258,803</u>	<u>(5,770,346)</u>
Business-type activities:					
Sewer	5,493,927	5,010,784	341,166	322,539	180,562
Community development	698,192	412,815	152,701	-	(132,676)
Total business-type activities:	<u>6,192,119</u>	<u>5,423,599</u>	<u>493,867</u>	<u>322,539</u>	<u>47,886</u>
Total primary government	<u>\$ 13,996,111</u>	<u>\$ 6,980,513</u>	<u>\$ 711,796</u>	<u>\$ 581,342</u>	<u>\$ (5,722,460)</u>
Component units					
Brownfield redevelopment	\$ 231,013	\$ -	\$ 818	\$ -	\$ (230,195)
Downtown development	1,476,222	51,965	282,545	-	(1,141,712)
Total component units	<u>\$ 1,707,235</u>	<u>\$ 51,965</u>	<u>\$ 283,363</u>	<u>\$ -</u>	<u>\$ (1,371,907)</u>

continued...

CHARTER TOWNSHIP OF DELHI
Statement of Activities (Concluded)
For the Year Ended December 31, 2007

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net (expense) revenue	\$ (5,770,346)	\$ 47,886	\$ (5,722,460)	\$ (1,371,907)
General revenues:				
Property taxes	3,482,728	-	3,482,728	3,691,934
Unrestricted State shared revenue	1,765,856	-	1,765,856	-
Grants and contributions not restricted to specific programs	536,536	258,278	794,814	-
Unrestricted investment earnings	306,428	-	306,428	-
Gain on sale of capital assets	162,393	-	162,393	-
Transfers - internal activities	(122,486)	122,486	-	-
Total general revenues and transfers	6,131,455	380,764	6,512,219	3,691,934
Change in net assets	361,109	428,650	789,759	2,320,027
Net assets, beginning of year	9,171,390	38,439,856	47,611,246	5,270,400
Net assets, end of year	\$ 9,532,499	\$ 38,868,506	\$ 48,401,005	\$ 7,590,427

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF DELHI

Balance Sheet Governmental Funds December 31, 2007

	General	Nonmajor Funds	Totals
Assets			
Cash and cash equivalents	\$ 511,808	\$ 1,717,243	\$ 2,229,051
Investments	1,719,554	98,832	1,818,386
Taxes receivable	3,125,200	789,755	3,914,955
Special assessments receivable	66,164	769,637	835,801
Other receivables	280,322	29,366	309,688
Due from component unit	170,790	-	170,790
Prepays	131,422	26,276	157,698
<u>TOTAL ASSETS</u>	\$ 6,005,260	\$ 3,431,109	\$ 9,436,369
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ 32,877	\$ 25,149	\$ 58,026
Accrued liabilities	62,940	8,117	71,057
Deferred revenue	3,020,588	1,552,667	4,573,255
Total liabilities	3,116,405	1,585,933	4,702,338
Fund balances			
Reserved for prepaids	131,422	26,276	157,698
Unreserved, designated for debt service	-	406,102	406,102
Unreserved:			
Designated for drain improvements	133,880	-	133,880
Undesignated	2,623,553	-	2,623,553
Undesignated, reported in nonmajor:			
Special revenue funds	-	1,287,246	1,287,246
Debt service funds	-	125,552	125,552
Total fund balances	2,888,855	1,845,176	4,734,031
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 6,005,260	\$ 3,431,109	\$ 9,436,369

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF DELHI
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets
of Governmental Activities on the Statement of Net Assets
December 31, 2007

Fund balances - total governmental funds	\$ 4,734,031
--	--------------

Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.

Add: capital assets not being depreciated	1,585,364
Add: capital assets being depreciated, net	5,594,898

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred revenues in the governmental funds, and thus are not included in fund balance.

Add: deferred long-term receivables	809,262
-------------------------------------	---------

Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Subtract: bonds payable and other long-term debt	(2,881,421)
Subtract: compensated absences	(301,230)
Subtract: accrued interest on long-term liabilities	(26,331)
Add: unamortized bond issue costs on refunding	17,926

Net assets of governmental activities	\$ <u>9,532,499</u>
---------------------------------------	---------------------

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF DELHI
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	Nonmajor Funds	Totals
Revenue			
Taxes	\$ 2,698,136	\$ 784,592	\$ 3,482,728
Special assessments	279,757	29,510	309,267
Intergovernmental	2,054,131	-	2,054,131
Licenses and permits	16,969	-	16,969
Charges for services	1,387,375	225,320	1,612,695
Interest	306,428	88,857	395,285
Other	605,674	46,209	651,883
Total revenue	7,348,470	1,174,488	8,522,958
Expenditures			
Current:			
Legislative	61,598	-	61,598
General government	2,083,561	-	2,083,561
Public safety	3,669,238	212,118	3,881,356
Infrastructure	467,234	-	467,234
Recreation and cultural	-	694,297	694,297
Other	200,780	3,809	204,589
Debt service:			
Principal	12,151	492,612	504,763
Interest	-	100,592	100,592
Capital outlay	95,959	159,333	255,292
Total expenditures	6,590,521	1,662,761	8,253,282
Revenue over (under) expenditures	757,949	(488,273)	269,676
Other financing sources (uses)			
Proceeds from sale of capital assets	18,694	154,451	173,145
Transfers in	-	592,477	592,477
Transfers out	(714,702)	(261)	(714,963)
Total other financing sources (uses)	(696,008)	746,667	50,659
Net change in fund balances	61,941	258,394	320,335
Fund balances, beginning of year	2,826,914	1,586,782	4,413,696
Fund balances, end of year	\$ 2,888,855	\$ 1,845,176	\$ 4,734,031

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF DELHI
Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2007

Net change in fund balances - total governmental funds	\$	320,335
--	----	---------

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add: capital outlay		171,870
Subtract: depreciation expense		(547,305)
Subtract: proceeds from sale of capital assets		(173,145)
Add: gain on disposal of capital assets		162,393

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Subtract: change in deferred special assessments receivable		(50,464)
---	--	----------

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term-liabilities.

Add: principal payments on long-term liabilities		504,763
--	--	---------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Subtract: change in accrued interest on bonds and deferred loss on refunding		(3,363)
Subtract: increase in the accrual of compensated absences		(23,975)

Change in net assets of governmental activities	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black;">361,109</div>
---	----	--

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF DELHI
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenue				
Taxes	\$ 2,706,800	\$ 2,691,400	\$ 2,698,136	\$ 6,736
Special assessments	246,950	278,800	279,757	957
Intergovernmental	2,152,050	2,009,000	2,054,131	45,131
Licenses and permits	17,100	15,800	16,969	1,169
Charges for services	1,224,360	1,348,560	1,387,375	38,815
Interest	206,300	311,000	306,428	(4,572)
Other	611,500	616,500	605,674	(10,826)
Total revenue	7,165,060	7,271,060	7,348,470	77,410
Expenditures				
Legislative:				
Board of Trustees	65,500	63,250	61,598	(1,652)
General government:				
Supervisor	336,570	348,320	344,598	(3,722)
Accounting	175,230	182,160	177,760	(4,400)
Clerk	311,310	348,310	330,938	(17,372)
Computer	245,820	182,600	141,094	(41,506)
Treasurer	298,070	302,290	293,831	(8,459)
Assessor	312,850	302,050	280,095	(21,955)
Elections	24,040	27,850	26,179	(1,671)
Building and grounds	345,700	423,630	394,387	(29,243)
Cemetery	72,850	105,540	94,679	(10,861)
Total general government	2,122,440	2,222,750	2,083,561	(139,189)
Public safety:				
Police	2,279,030	2,264,000	2,257,138	(6,862)
Fire	1,514,740	1,466,940	1,412,100	(54,840)
Total public safety	3,793,770	3,730,940	3,669,238	(61,702)
Infrastructure	619,469	486,269	467,234	(19,035)

CHARTER TOWNSHIP OF DELHI
Budget and Actual (Concluded)
Budget and Actual
General Fund
For the Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Expenditures (concluded)				
Other	\$ 225,990	\$ 211,890	\$ 200,780	\$ (11,110)
Debt service - principal	12,151	12,151	12,151	-
Capital outlay	26,200	102,000	95,959	(6,041)
Total expenditures	6,865,520	6,829,250	6,590,521	(238,729)
Revenue over (under) expenditures	299,540	441,810	757,949	316,139
Other financing sources (uses)				
Proceeds from sale of capital assets	-	18,200	18,694	494
Transfers out	(636,590)	(786,530)	(714,702)	71,828
Total other financing (uses)	(636,590)	(768,330)	(696,008)	72,322
Net change in fund balances	(337,050)	(326,520)	61,941	388,461
Fund balance, beginning of year	2,826,914	2,826,914	2,826,914	-
Fund balance, end of year	\$ 2,489,864	\$ 2,500,394	\$ 2,888,855	\$ 388,461

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF DELHI
Statement of Net Assets
Enterprise Funds
December 31, 2007

		Nonmajor Fund	
	Sewer	Community Development	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 229,675	\$ 85,196	\$ 314,871
Investments	1,931,985	-	1,931,985
Special assessments receivable	565,235	35,448	600,683
Other receivables	895,153	279	895,432
Prepays	85,308	14,032	99,340
Other assets	203,419	-	203,419
Total current assets	3,910,775	134,955	4,045,730
Noncurrent assets:			
Restricted cash, cash equivalents and investments:			
Debt service cash and cash equivalents	385,422	-	385,422
Replacement and construction cash and cash equivalents	986,308	-	986,308
Replacement and construction investments	2,067,615	-	2,067,615
Capital assets not being depreciated	3,435,287	-	3,435,287
Capital assets being depreciated, net	40,664,577	5,391	40,669,968
Total noncurrent assets	47,539,209	5,391	47,544,600
Total assets	51,449,984	140,346	51,590,330
Liabilities			
Current liabilities:			
Accounts payable	253,303	24,594	277,897
Accrued liabilities	122,147	59,473	181,620
Interest payable	132,974	-	132,974
Deposits payable	39,096	-	39,096
Unearned revenue	-	37,900	37,900
Current portion of long-term debt	1,100,014	-	1,100,014
Total current liabilities	1,647,534	121,967	1,769,501
Long-term liabilities:			
Due in more than one year	10,952,323	-	10,952,323
Total liabilities	12,599,857	121,967	12,721,824
Net assets			
Invested in capital assets, net of related debt	32,047,527	5,391	32,052,918
Restricted for:			
Replacement	2,524,457	-	2,524,457
Debt service	385,422	-	385,422
Construction projects and special assessments	529,466	-	529,466
Unrestricted	3,363,255	12,988	3,376,243
Total net assets	\$ 38,850,127	\$ 18,379	\$ 38,868,506

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF DELHI
Statement of Revenue, Expenses
and Changes in Fund Net Assets
Enterprise Funds
For the Year Ended December 31, 2007

		Nonmajor Fund	
	Sewer	Community Development	Total
Operating revenue			
Charges for services	\$ 4,645,090	\$ 87,419	\$ 4,732,509
Permits and fees	319,188	325,396	644,584
Other operating revenue	41,534	151,470	193,004
Total operating revenue	5,005,812	564,285	5,570,097
Operating expense			
Cost of services	3,067,735	697,195	3,764,930
Depreciation	1,869,254	997	1,870,251
Total operating expense	4,936,989	698,192	5,635,181
Operating income (loss)	68,823	(133,907)	(65,084)
Non-operating revenue (expenses)			
Non-operating grants	258,278	-	258,278
Interest and rentals	346,138	1,231	347,369
Loss on disposal of capital assets	(287)	-	(287)
Interest expense	(556,651)	-	(556,651)
Total non-operating revenue (expenses)	47,478	1,231	48,709
Net income (loss) before capital contributions and transfers	116,301	(132,676)	(16,375)
Capital contributions	322,539	-	322,539
Transfers in	-	122,486	122,486
Change in net assets	438,840	(10,190)	428,650
Net assets, beginning of year	38,411,287	28,569	38,439,856
Net assets, end of year	\$ 38,850,127	\$ 18,379	\$ 38,868,506

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF DELHI
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2007

		Nonmajor Fund	
	Sewer	Community Development	Total
Cash flows from operating activities			
Cash received from customers	\$ 5,234,601	\$ 586,342	\$ 5,820,943
Cash payments to suppliers for goods and services	(2,237,922)	(334,493)	(2,572,415)
Cash payments to employees for services	(970,724)	(363,761)	(1,334,485)
Net cash provided by (used in) operating activities	2,025,955	(111,912)	1,914,043
Cash flows from capital and related financing activities			
Purchase of capital assets	(2,914,742)	(1,622)	(2,916,364)
Proceeds from revenue bonds	1,280,410	-	1,280,410
Interest payments	(556,651)	-	(556,651)
Principal payments	(1,096,680)	-	(1,096,680)
Net cash used by capital and related financing activities	(3,287,663)	(1,622)	(3,289,285)
Cash flows from non-capital and related financing activities			
Transfers in	-	122,486	122,486
Cash flows from investing activities			
Proceeds from maturities of investments	1,175,704	-	1,175,704
Interest and rental earnings	346,138	1,231	347,369
Net cash provided by investing activities	1,521,842	1,231	1,523,073
Net increase in cash and cash equivalents	260,134	10,183	270,317
Cash and cash equivalents, beginning of year	1,341,271	75,013	1,416,284
Cash and cash equivalents, end of year	\$ 1,601,405	\$ 85,196	\$ 1,686,601
Statement of Net Assets classification of cash:			
Cash and cash equivalents	\$ 229,675	\$ 85,196	\$ 314,871
Restricted cash and cash equivalents	1,371,730	-	1,371,730
	\$ 1,601,405	\$ 85,196	\$ 1,686,601

CHARTER TOWNSHIP OF DELHI
Statement of Cash Flows
Enterprise Funds (Concluded)
For the Year Ended December 31, 2007

		Non-Major Fund	
	Sewer	Community Development	Total
Cash flows from operating activities			
Operating income (loss)	\$ 68,823	\$ (133,907)	\$ (65,084)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,869,254	997	1,870,251
(Increase) decrease in:			
Special assessments receivable	938	(15,062)	(14,124)
Other receivables	227,851	49	227,900
Prepaid expenses	(67,272)	(13,043)	(80,315)
Other assets	(27,705)	-	(27,705)
Increase (decrease) in:			
Accounts payable	(19,705)	6,584	(13,121)
Accrued expenses	(9,862)	5,400	(4,462)
Deposits payable	(16,367)	-	(16,367)
Unearned revenue	-	37,070	37,070
Net cash provided by (used in) operating activities	<u>\$ 2,025,955</u>	<u>\$ (111,912)</u>	<u>\$ 1,914,043</u>

Non-cash transactions:

Contributions of capital assets amounting to \$322,539 were made during the year 2007 to record the cost of sewer systems accepted by the Township from various developers.

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF DELHI
Statement of Fiduciary Net Assets
December 31, 2007

	<u>Private Purpose Trust Cemetery</u>	<u>Agency Funds</u>
Assets		
Cash and cash equivalents	\$ 75,686	\$ 16,170,445
Taxes receivable	<u>-</u>	<u>15,658,446</u>
Total assets	<u>75,686</u>	<u>\$ 31,828,891</u>
Liabilities		
Due to other governments	-	\$ 31,302,655
Undistributed receipts	<u>180</u>	<u>526,236</u>
Total liabilities	<u>180</u>	<u>\$ 31,828,891</u>
Net assets		
Held in trust for individuals	<u>\$ 75,506</u>	

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF DELHI
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Year Ended December 31, 2007

	<u>Private Purpose Trust Cemetery</u>
Additions	
Interest	\$ 3,327
Deductions	
Cemetery perpetual care	<u>303</u>
Change in net assets	3,024
Net assets, beginning of year	<u>72,482</u>
Net assets, end of year	<u><u>\$ 75,506</u></u>

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF DELHI
Combining Statement of Net Assets
Component Units
December 31, 2007

	Brownfield Redevelopment Authority	Downtown Development Authority	Total
Assets			
Cash and cash equivalents	\$ 5,670	\$ 158,595	\$ 164,265
Investments	-	4,811,006	4,811,006
Receivables, net	148,838	3,054,236	3,203,074
Prepaid items and other assets	-	7,109	7,109
Capital assets not being depreciated	-	5,517,181	5,517,181
Capital assets being depreciated, net	-	1,442,120	1,442,120
Total assets	154,508	14,990,247	15,144,755
Liabilities			
Accounts payable and accrued expenses	854	1,031,840	1,032,694
Unearned revenue	148,838	2,365,092	2,513,930
Long-term liabilities:			
Due within one year	-	310,907	310,907
Due in more than one year	-	3,696,797	3,696,797
Total liabilities	149,692	7,404,636	7,554,328
Net assets			
Invested in capital assets, net of related debt	-	2,976,996	2,976,996
Unrestricted	4,816	4,608,615	4,613,431
Total net assets	\$ 4,816	\$ 7,585,611	\$ 7,590,427

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF DELHI
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2007

	Brownfield Redevelopment Authority	Downtown Development Authority	Total
Expenses			
Brownfield redevelopment	\$ 231,013	\$ -	\$ 231,013
Downtown development	-	1,476,222	1,476,222
Total expenses	231,013	1,476,222	1,707,235
Program revenues			
Charges for services	-	51,965	51,965
Operating grants and contributions	818	282,545	283,363
Total program revenues	818	334,510	335,328
Net expense	(230,195)	(1,141,712)	(1,371,907)
General revenues			
Property taxes	210,907	3,481,027	3,691,934
Total general revenues	210,907	3,481,027	3,691,934
Change in net assets	(19,288)	2,339,315	2,320,027
Net assets, beginning of year	24,104	5,246,296	5,270,400
Net assets, end of year	\$ 4,816	\$ 7,585,611	\$ 7,590,427

The accompanying notes are an integral part of these financial statements.

NOTES to the FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Charter Township of Delhi have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

1-A. Reporting Entity

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the government.

Discretely Presented Component Units - The component units column in the government-wide financial statements include the financial data of the following component units. These units are reported in a separate column to emphasize they are legally separate from the Township.

The *Downtown Development Authority* of the Charter Township of Delhi is organized pursuant to Charter Township of Delhi Ordinance No. 80 and Act 197 of the Public Acts of 1975 of the State of Michigan, as amended. The primary purpose of the Authority is to provide for the ongoing maintenance, promotion, security and continued operation of the downtown district. A tax increment financing district was established to finance these activities. The members of the Board of Directors of the Authority are appointed by the Township Board. No separate audit report is issued for this Authority.

The *Delhi Township Brownfield Redevelopment Authority* is organized pursuant to Section 13(1) of the State of Michigan's Brownfield Redevelopment Financing Act (Public Act 381 of 1996, as amended by Public Act 145 of 2000). The primary purpose of the Authority is to clean up environmentally challenged properties in the Township and prepare them for desirable and productive re-uses. Tax increment financing will be used to finance these activities. The members of the Board of Directors of the Authority are appointed by the Township Board. No separate audit report is issued for this Authority.

The Downtown Development Authority and the Brownfield Redevelopment Authority are considered component units of the Charter Township of Delhi because the Township appoints the Authorities' Board members and has the ability to significantly influence operations of the Authorities.

The *Economic Development Corporation* of the Charter Township of Delhi ("EDC") is a nonstock, nonprofit corporation. The EDC's activities are financed through application fees. The primary purpose of the corporation is to encourage and assist commercial enterprises to locate and expand facilities and services in the Township and to its residents through the issuance of tax-exempt financing. The Corporation is organized pursuant to the State of Michigan, Public Act 338 of 1974, as amended. Members of the Board of Directors of the Corporation are appointed by the officers of the Corporation with the advice of the Delhi Township Board of Trustees. Its fiscal year end is May 31st.

The EDC had no activity during the period ended December 31, 2007. The Corporation has no remaining fund assets, liabilities or equity.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

1-B. Basis of Presentation

Government-wide Financial Statements. The statements of net assets and activities display information about the primary government (the “Township”) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the Township’s *governmental* and *business-type activities*. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Township and for each function of the Township’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Township’s sewer function and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements. The fund financial statements provide information about the Township’s funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental*, *proprietary* and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The Township reports the following major governmental fund:

General fund. This is the Township’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Township reports the following major enterprise fund:

Sewage enterprise fund (Sewer Disposal System). This fund accounts for the activities of the Township’s sewage disposal and sewage treatment systems that are financed primarily by user charges for those services.

Additionally, the Township reports the following fund types:

Special revenue funds. These funds account for revenue sources that are legally restricted to expenditures for specific purposes not including trusts or major capital projects.

Debt service funds. These funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

Enterprise fund. These funds account for those operations that are financed and operated in a manner similar to private business or where the Township has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Private purpose trust fund. This fund accounts for contributions earmarked for perpetual care of graves of individuals.

Agency funds. These funds account for assets held for other governments in an agency capacity. Included are the Trust and Agency fund, which accounts for assets held on behalf of other governments and the Current Tax fund which accounts for the collection and distribution of property tax receipts.

1-C. Measurement Focus / Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements. The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds, which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Township's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Nonexchange transactions, in which the Township gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Township considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases, if any, are reported as other financing sources.

Under the terms of grant agreements, the Township funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Township's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

All governmental and business-type activities and proprietary funds of the Township follow private-sector standards of accounting and financial reported issued prior to December 1, 1989, unless those standards conflict with guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Township has elected not to follow subsequent private-sector guidance.

1-D. Assets, Liabilities and Equity

Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. In addition, the statement of cash flows includes both restricted and unrestricted cash and cash equivalents.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have established market values are reported at estimated fair value. Cash deposits are reported at cost.

Restricted Assets

Certain proceeds of enterprise fund bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets because their use is limited by applicable bond covenants, Michigan law, or Township ordinance. Certain general fund assets have been designated for surplus drain funds. This amount is to be utilized to alleviate drainage problems within the Township.

Receivables and Payables

All trade and delinquent property tax receivables are shown net of an allowance for uncollectibles, as applicable.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either *interfund receivables/payables* (i.e., the current portion of interfund loans) or *advances to/from other funds* (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as *due to/from other funds*. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as *internal balances*.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental or business-type columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at fair market value on the date of donation. Repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized.

Interest is capitalized on proprietary fund assets that are constructed utilizing debt proceeds. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project.

Capital assets are defined by the Township as assets with an original cost of \$1,500 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Sewage mains and infrastructure	40
Building	40
Building improvements	20
Land improvements	15
Machinery and equipment	5-10
Computer equipment	3-10
Furniture and fixtures	10
Vehicles	5-7

Compensated Absences

It is the Township's policy to permit employees to accumulate a limited amount of earned but unused sick and vacation leave, which will be paid to employees upon separation from the Township. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Fund balance designations represent tentative management plans that are subject to change.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general, special revenue and debt service funds. All annual appropriations lapse at year end, except for those approved by the Board of Trustees to carry forward.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or prior to September 1 of each year, the Township manager submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Board of Trustees. Budget revisions made to the component unit's (Downtown Development Authority) budget are approved by the Downtown Development Authority Board. If the component unit's budget amendments have an impact on fund balance, the Township Board of Trustees also needs to approve the amendments.
5. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, debt service funds and proprietary funds. Similarly, the Township also adopts budgets, on a project basis, for all capital projects.
6. Budgets for general, special revenue, debt service funds and proprietary funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the fiscal year. Individual amendments were not material in relation to the original appropriations which were amended.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

7. The budget is prepared by fund and function and activity and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.

It is important to note that capital outlay is budgeted by department, and not in total. This may have an impact on variances as presented in the financial statements.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. The Township does not utilize encumbrance accounting.

2-B. Excess of Expenditures Over Appropriations

There were no reported excesses of expenditures over final budgeted amounts for the year ended December 31, 2007.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

3-A. Deposits and Investments

Summary of Deposit and Investment Balances. Following is a reconciliation of deposit and investment balances as of December 31, 2007:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Statement of Net Assets:			
Cash and cash equivalents	\$ 3,915,652	\$ 164,265	\$ 4,079,917
Investments	5,817,986	4,811,006	10,628,992
Statement of Fiduciary Net Assets:			
Cash and cash equivalents	<u>16,246,131</u>	<u>-</u>	<u>16,246,131</u>
Total	<u>\$ 25,979,769</u>	<u>\$ 4,975,271</u>	<u>\$ 30,955,040</u>
Deposits and Investments:			
Bank deposits (checking accounts, savings accounts and CDs)			\$ 25,606,862
Investments in securities, mutual funds and similar vehicles			5,346,628
Cash on hand			<u>1,550</u>
Total			<u>\$ 30,955,040</u>

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

The Township chooses to disclose its investments by specifically identifying each. At December 31, 2007, the Township had the following investments.

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>
MBIA Class Investment Pool	n/a	\$ 1,290,338	n/a
LaSalle Bank Money Market	n/a	493,644	n/a
MBS Money Market	n/a	41,800	n/a
Ambassador Bank Money Market	n/a	250,418	S&P – AAAM
Huntington Bank Money Market	n/a	259,484	S&P – AAAM
Dart Bank Money Market	n/a	1,173,614	n/a
MILAF Money Market	n/a	185,734	S&P – AAAM
Citizens Bank Money Market	n/a	123,190	n/a
Comerica Bank Money Market	n/a	14,287	S&P – AAAM
Federal Home Loan Bank Note	5/04/09	125,039	Moody's - Aaa
Federal Home Loan Bank Note	12/31/10	99,969	Moody's - Aaa
Federal Home Loan Bank Note	7/10/13	99,813	Moody's - Aaa
Federal Home Loan Bank Note	6/15/15	97,548	Moody's - Aaa
Federal Home Loan Bank Bond	10/17/12	101,000	Moody's - Aaa
Federal Home Loan Bank Bond	2/10/12	100,125	Moody's - Aaa
Federal National Mtg. Assn. Note	11/5/12	105,033	Moody's - Aaa
Federal National Mtg. Assn. Note	3/10/08	99,875	Moody's - Aaa
Federal Home Loan Bank Note	5/15/13	197,932	Moody's - Aaa
Federal Home Loan Bank Note	3/15/08	249,063	Moody's - Aaa
US Treasury Note	1/15/08	99,703	Moody's - Aaa
US Treasury Note	1/15/09	131,153	Moody's - Aaa
RMA Government Portfolio	n/a	3,702	n/a
GNMA Pass-thru Pool	n/a	4,164	n/a
		<u>\$ 5,346,628</u>	

Investment and deposit risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the list of authorized investments above. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity dates for each investment are identified above for investments held at year end.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments above. The Township's investment policy does not have specific limits in excess of state law on investment credit risk. The ratings for each investment are identified above for investments held at year end.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require and the Township does not have a policy for deposit custodial credit risk. As of year end, \$24,784,521 of the Township's bank balance of \$25,808,464 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Township does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk as these investments are held by the counterparty in the Township's name.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments above. The Township's investment policy allows for no more than \$5,000,000 to be invested in any one institution exclusive of trust and agency accounts. All investments held at year end are reported above.

3-B. Receivables

Receivables in the governmental activities are 6 percent accounts receivables, 75 percent property taxes, 16 percent special assessments, and 3 percent due from component units. 62 percent, or \$526,534, of the special assessment receivables are not expected to be collected within one year. 86 percent of the accounts receivables are expected to be collected within one year. Business-type activities receivables are 40 percent special assessment receivables and 60 percent are due from customers.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Special assessments not yet due (governmental funds)	\$ 809,262	\$ -	\$ 809,262
Long term accounts receivable	-	168,623	168,623
Property taxes levied for next fiscal year	-	3,595,370	3,595,370
	<u>\$ 809,262</u>	<u>\$ 3,763,993</u>	<u>\$ 4,573,255</u>

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

3-C. Capital Assets

Capital assets activity for the year ended December 31, 2007, was as follows:

Primary government

	Balance December 31, 2006	Additions	Deductions	Balance December 31, 2007
<u>Governmental Activities</u>				
Land	\$ 1,511,337	\$ 74,027	\$ -	\$ 1,585,364
Construction in progress	244,145	34,213	278,358	-
Total capital assets not being depreciated	1,755,482	108,240	278,358	1,585,364
Capital assets being depreciated:				
Buildings and improvements	5,056,143	293,805	-	5,349,948
Land improvements	1,972,336	-	-	1,972,336
Machinery and equipment	832,954	30,563	58,516	805,001
Furniture and office equipment	555,309	9,595	28,886	536,018
Flowage rights	400,340	-	-	400,340
Computer equipment and programs	306,051	6,450	1,686	310,815
Vehicles	2,098,871	1,575	523,215	1,577,231
Subtotal	11,222,004	341,988	612,303	10,951,689
Accumulated depreciation				
Buildings and improvements	2,043,193	139,352	-	2,182,545
Land improvements	626,422	115,129	-	741,551
Machinery and equipment	538,343	67,320	50,480	555,183
Furniture and office equipment	444,694	22,244	26,170	440,768
Flowage rights	40,034	10,009	-	50,043
Computer equipment and programs	238,958	38,908	1,686	276,180
Vehicles	1,479,393	154,343	523,215	1,110,521
Total accumulated depreciation	5,411,037	547,305	601,551	5,356,791
Total capital assets being depreciated - net	5,810,967	(205,317)	10,752	5,594,898
Governmental activities capital assets - net	\$ 7,566,449	\$ (97,077)	\$ 289,110	\$ 7,180,262

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

	Balance December 31, 2006	Restatement	Additions	Deductions	Balance December 31, 2007
<u>Business-type Activities</u>					
Capital assets not being depreciated:					
Land	\$ 776,635	\$ -	\$ -	\$ -	\$ 776,635
Construction in progress	2,957,640	-	2,116,931	2,415,919	2,658,652
Subtotal	3,734,275	-	2,116,931	2,415,919	3,435,287
Capital assets being depreciated:					
Sewage disposal plant and equipment	19,423,972	-	-	-	19,423,972
Sewer mains	35,988,438	-	3,414,879	-	39,403,317
Outfall lines	1,141,390	-	-	-	1,141,390
Furniture and office equipment	213,196	-	2,761	6,700	209,257
Computer equipment	285,385	-	16,181	5,618	295,948
Vehicles	946,343	-	30,175	19,890	956,628
Machinery and equipment	463,913	(1,605)	73,895	10,761	525,442
Maintenance facility	1,430,686	-	-	-	1,430,686
Subtotal	59,893,323	(1,605)	3,537,891	42,969	63,386,640
Accumulated depreciation					
Sewage disposal plant and equipment	8,120,545	-	693,270	-	8,813,815
Sewer mains	11,297,030	-	895,030	-	12,192,060
Outfall lines	269,860	-	23,838	-	293,698
Furniture and office equipment	122,323	2,762	15,464	6,700	133,849
Computer equipment	88,788	-	82,927	5,081	166,634
Vehicles	479,983	-	80,338	19,890	540,431
Machinery and equipment	332,233	(1,605)	43,155	8,850	364,933
Maintenance facility	175,023	-	36,229	-	211,252
Total accumulated depreciation	20,885,785	1,157	1,870,251	40,521	22,716,672
Total capital assets being depreciated - net	39,007,538	(2,762)	1,667,640	2,448	40,669,968
Business-type activities capital assets - net	\$ 42,741,813	\$ (2,762)	\$ 3,784,571	\$ 2,418,367	\$ 44,105,255

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

	Balance December 31, 2006	Additions	Deductions	Balance December 31, 2007
<u>Component Unit -DDA</u>				
Capital assets not being depreciated:				
Land	\$ 4,033,998	\$ 749,008	\$ -	\$ 4,783,006
Construction in progress	-	734,175	-	734,175
Subtotal	4,033,998	1,483,183	-	5,517,181
				-
Capital assets being depreciated:				
Buildings	1,006,609	-	-	1,006,609
Land improvements	970,988	47,458	-	1,018,446
Machinery and equipment	43,613	-	-	43,613
Furniture and equipment	76,020	-	-	76,020
Subtotal	2,097,230	47,458	-	2,144,688
Accumulated depreciation				
Buildings	60,716	25,170	-	85,886
Land improvements	510,556	66,157	-	576,713
Machinery and equipment	10,177	4,361	-	14,538
Furniture and equipment	17,827	7,604	-	25,431
Total accumulated depreciation	599,276	103,292	-	702,568
Total capital assets being depreciated - net	1,497,954	(55,834)	-	1,442,120
Component unit capital assets - net	\$ 5,531,952	\$ 1,427,349	\$ -	\$ 6,959,301

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 202,503
Public safety	197,030
Recreation and culture	131,353
Other	<u>16,419</u>

Total **\$ 547,305**

Business-type activity –

Sewer	\$ 1,869,254
Community Development	<u>997</u>

Total **\$ 1,870,251**

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

3-D. Payables

Payables in the governmental activities are 37 percent vendors, 45 percent accrued payroll, and 18 percent interest. Business-type activities payables are 44 percent vendors, 6 percent deposits, 29 percent accrued payroll, and 21 percent accrued interest.

3-E. Interfund Receivables, Payables and Transfers

Receivables and Payables

The Township often has interfund balances between its funds. These interfund balances result primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers

For the year then ended December 31 2007, interfund transfers consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ -	\$ 714,702
Nonmajor governmental funds	592,477	261
Nonmajor enterprise fund	<u>122,486</u>	<u>-</u>
Total	<u>\$ 714,963</u>	<u>\$ 714,963</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

3-F. Long-term Debt

General Obligation Bonds

The Township issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds, therefore, are reported in the proprietary fund if they are expected to be repaid from proprietary revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 5 to 30 year serial bonds.

\$1,032,300, 2002 Water Improvement District, Serial Bonds, due in annual installments of \$36,630 to \$79,088 through 2022, interest at 3.1% to 5.00%. The Township issued bonds totaling \$6,200,000 of which 16.65% (\$1,032,300) was for water improvement (general long-term debt) and 83.35% (\$5,167,700) was for sanitary sewer (enterprise fund) \$ 863,303

\$2,365,000, 2004 General Obligation Community Service Center Refunding Bonds, due in annual installments of \$320,000 to \$475,000 through May 1, 2010, interest at 2.0% to 2.6% 1,315,000

\$ 2,178,303

Special Assessment Bonds Payable

The Township has issued special assessment bonds payable. The government pledges special assessments levied against taxpayers' benefiting from a specific construction asset which are collectible over a period of years. In addition, the Township has pledged, in certain of the following, its full faith and credit within statutory limitations:

\$435,000, 1996 Pine Tree Road Improvement, Serial Bonds, due in annual installments of \$30,193 through 2011, interest at 5.00%. The Township issued one bond issue for \$1,945,000 of which 78% was for the sanitary sewer special assessment (\$1,510,000) and 22% was for the Pine Tree Road Improvement (\$435,000) **\$ 120,771**

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

Other Long-term Debt

The government is assessed for drains at large by Ingham County. The assessment covers the Township's share of installation and flowage rights for the drains. General assessments outstanding at year-end are as follows:

<u>Purpose</u>	<u>Amount</u>	<u>Fiscal year Due</u>	<u>Interest Rate</u>
Governmental activities	<u>\$ 182,259</u>	2022	Imputed at 4%

The Township has entered into an installment purchase agreement to purchase property. This obligation is summarized as follows:

<u>Purpose</u>	<u>Amount</u>	<u>Fiscal year Due</u>	<u>Interest Rate</u>
Governmental activities	<u>\$ 400,088</u>	2019	3.49%

Enterprise Fund

General Obligation Bonds Payable:

\$1,000,000, 1996 Sanitary Sewer general obligation bonds, due in annual installments of \$70,000 to \$95,000 through 2011, interest at 5.00% to 5.40% \$ 350,000

\$2,500,000, 2003 Sanitary Sewer general obligation bonds, due in annual installments of \$80,000 to \$195,000 through 2024, interest at 3.00% to 4.75% 2,260,000

\$5,167,700, 2002 Sanitary Sewer general obligation bonds, due in annual installments of \$183,370 to \$395,912 through 2022, interest at 3.10% to 5.00%. The Township issued one bond issue for \$6,200,000 of which 83.35% (\$5,167,700) was for sanitary sewer (enterprise fund) and 16.65% (\$1,037,300) was for water improvement (general long-term debt) 4,321,698

\$ 6,931,698

State Revolving Loan Fund Revenue Bonds Payable:

\$9,850,000, 2007 Sanitary Sewer revenue bonds, draws to 12/31/07 of \$1,280,410, interest rate to be determined after final draw not to exceed 1.625% **\$ 1,280,410**

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

Special assessment bonds payable:

The Township has issued special assessment bonds payable. The government pledges special assessments levied against taxpayers benefiting from a specific constructed asset and collectible over a period of years.

\$230,000, 1993 Sanitary Sewer Special Assessment Bonds (Harper Wentland), due in annual installments of \$16,000 through 2008, interest at 5.30% to 5.50% \$ 16,000

\$1,510,000, 1996 Sanitary Sewer Special Assessment Bonds (Dell Willoughby), due in annual installments of \$104,807 through 2011, interest at 5.00%. The Township issued one bond issue for \$1,945,000 of which 78% was for the Sanitary Sewer Special Assessment (\$1,510,000) and 22% was for the Pine Tree Road Improvement (\$435,000) 419,229

\$ 435,229

Notes Payable

\$6,695,000, 1998 refunding note payable due to Ingham County calling for total annual installments of \$525,000 to \$765,000 through 2012, interest at 3.95% to 5.13% **\$ 3,405,000**

Downtown Development Authority (Component Unit)

The long-term debt balance of the Downtown Development Authority consists of the following:

General Obligation Bonds

\$990,000, 2003 general obligation bonds to finance Downtown Development Authority costs of constructing a building, due in annual installments of \$55,000 to \$85,000 through 2018, interest at 2.75% to 4.50% \$ 770,000

\$2,050,000, 1997 general obligation serial and/or term bonds to finance Downtown Development Authority costs of constructing certain road, rail, water, sewer, and environmental improvements, due in annual installments of \$75,000 to \$375,000 starting in 2001 and going through 2015, interest at 4.90% to 5.10% 1,525,000

\$2,325,000, 2001 general obligation bonds to finance Downtown Development Authority costs of constructing certain water and sewer improvements, due in annual installments of \$130,000 to \$220,000 through 2016, interest at 4.0% to 4.63% 1,615,000

\$ 3,910,000

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

Notes Payable

\$200,000 Holt Shopping Center, due in monthly installments of
to \$2,534 through July 2010, interest at a rate of 9.0%

\$ 72,305

The following is a summary of changes in long-term debt during the year ended December 31, 2007:

	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 2,597,431	\$ -	\$ 419,128	\$ 2,178,303	\$ 445,792
Special assessment bonds	160,964	-	40,198	120,771	30,193
General assessment payable	194,410	-	12,151	182,259	12,151
Installment Purchase Agreement	433,379	-	33,291	400,088	33,333
Compensated absences	277,256	396,451	372,477	301,230	120,000
Total governmental	\$ 3,663,439	\$ 396,451	\$ 877,240	\$ 3,182,651	\$ 641,469
Enterprise fund:					
General obligation bonds	\$ 7,287,570	\$ -	\$ 355,872	\$ 6,931,698	\$ 374,208
Revenue bonds	-	1,280,410	-	1,280,410	-
Special assessment bonds	596,086	-	160,807	435,229	120,806
Notes payable	3,985,000	-	580,000	3,405,000	605,000
Total business-type	\$ 11,868,656	\$ 1,280,410	\$ 1,096,679	\$ 12,052,337	\$ 1,100,014
Component unit:					
General obligation bonds	\$ 4,180,000	\$ -	\$ 270,000	\$ 3,910,000	\$ 280,000
Notes payable	95,075	-	22,770	72,305	24,907
Compensated absences	17,085	14,861	6,497	25,399	6,000
Total component unit	\$ 4,292,110	\$ 14,861	\$ 299,267	\$ 4,007,704	\$ 310,907

For the governmental activities, compensated absences are generally liquidated by the general fund.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

The annual requirements to amortize all long-term debt outstanding, exclusive of compensated absences as of December 31, 2007, are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities		Component Unit	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 521,469	\$ 94,875	\$ 1,100,014	\$ 510,372	\$ 304,907	\$ 177,092
2009	553,967	80,073	1,556,517	468,106	317,243	163,355
2010	595,633	63,512	1,624,852	407,261	315,155	149,023
2011	122,296	52,236	1,678,597	342,764	385,000	133,930
2012	94,601	47,775	1,115,883	280,549	445,000	115,464
2013-2017	510,472	177,462	2,031,950	964,803	2,130,000	225,912
2018-2022	482,983	65,509	2,564,524	452,522	85,000	3,826
2023-2024	-	-	380,000	18,195	-	-
Total	\$ 2,881,421	\$ 581,442	\$ 12,052,337	\$ 3,444,572	\$ 3,982,305	\$ 968,602

Advance Refunding

In prior years, the Township defeased certain bonds by placing the proceeds of new bonds in irrevocable trusts for the purpose of generating resources for all future debt service payments on the refunded debt. As a result, the refunded bonds are considered to be defeased and the trust fund assets and related liabilities have been removed from the statement of net assets. At December, 31, 2007, \$3,405,000 of bonds outstanding are considered defeased.

3-G. Segment Information – Enterprise Funds

The government issued bonds and notes payable to finance certain improvements to its sewer system. Because the Sewer Fund, which accounts entirely for the government's sewer activities is a segment and is reported as a major fund in the fund financial statements, segment disclosures herein are not required.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

NOTE 4 – OTHER INFORMATION

4-A. Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2007, the government carried commercial insurance to cover all risks of losses. The Township has had no settled claims from these risks that exceeded its commercial coverage in any of the past three fiscal years.

4-B. Property Taxes

Property taxes become an enforceable lien on the property as of December 1. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes together with taxes for the County and other various school districts and the community college. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year following the December 1 levy date. Property taxes levied for the ensuing year's revenue are included in taxes receivable and deferred until collected. Property tax receivables related to delinquent taxes are also deferred unless collected within 60 days of year-end.

The Township is permitted by the Charter Township Act of the State to levy taxes up to \$5.00 per \$1,000 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. Additional taxes may be levied, upon approval of the voters, to a total levy of \$10.00 per \$1,000 of assessed valuation. The Township levied 4.3094 mills for general operations, .4846 mills for fire operations, and .5342 for Community Service Center debt requirements on the December 1, 2006, levy (recognized as revenue in 2007).

The Downtown Development and Brownfield Redevelopment Authorities, which are component units, also receive property tax revenue from the December 1 tax levy. These tax revenues are recognized in the fiscal year following the December 1 levy date.

4-C. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by federal and state grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

4-D. Postemployment Benefits

In addition to benefits described in Notes 4-E and 4-F, the Township provides both health and life insurance benefits for retired employees meeting specific age and years of continued service requirements. The Township will provide 75% to 100% health insurance coverage comparable to that provided to active employees. The obligation of the Township will cease or decrease as comparable health insurance becomes available to the retiree through another employer or source (i.e., Medicare). The Township will provide 100% of life insurance. Approximate costs incurred by the Township during 2007 amounted to \$72,344. The Township currently has thirteen retired employees receiving benefits under the plan.

The Governmental Accounting Standards Board has recently released Statement No. 45, "Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions." The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. The new pronouncement is effective for the year ending December 31, 2008. Management is currently assessing the impact of this new accounting standard on the Township's financial statements for future reporting periods.

4-E. Pension Plan

The Township provides pension benefits for all of its full-time employees through a defined contribution plan called the Defined Contribution Pension Plan for Governmental Employees. The Plan is administered by an outside party. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon completion of three months of service. The Township contributes an amount equal to 10% of the employee's base annual compensation.

The Township's contribution for each employee (and interest attributable to these contributions) are fully vested after two years service. Township contributions and attributable interest forfeited by employees who leave employment prior to full vesting are used to reduce the Township's current period contribution requirements.

Plan provisions and contribution requirement are established and may be amended by the Township Board.

The Township's total payroll in 2007 was \$3,950,246. Contributions were calculated using the base salary amount of \$3,109,320. The Township made the required 10% contribution totaling \$310,932.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

4-F. Deferred Compensation Plans

The Township offers two deferred compensation plans created in accordance with Internal Revenue Code Section 457; one designed for full-time employees, and the second available only to part-time employees. The plans permit employees to defer a portion of their salary until future years. For the plan covering part-time employees, the Township contributes 3% of gross pay to the plan on behalf of all participating employees. The Township made contributions to the plans totaling \$5,492. The deferred compensation is only available to the employees upon retirement, termination, becoming permanently disabled, or death.

4-G. Limited Obligations Bonds – Economic Development Corporation

The Corporation acts as a liaison between companies seeking financial assistance and financial institutions in an effort to further the economic development of the Township. This purpose is accomplished by the Corporation entering into lease contracts with commercial enterprises. According to the terms of the lease contracts, the Corporation agrees to issue revenue bonds, the proceeds from which will be used to finance a project benefiting the commercial enterprise, and the commercial enterprise agrees to make lease payments equal to the bond principal and interest payments. When the bonds are paid in full, the ownership of the project is transferred to the commercial enterprise. The revenue bonds are payable solely from the net revenues derived from the project and the bonds are collateralized by a mortgage on the project and the lease contract. The Corporation does not currently hold title to any property and did not have any activity in 2007.

4-H. State Construction Code Disclosures

The Community Development Department reviews all planning, zoning and construction activities, issues building permits, and provides code enforcement and rental housing inspections and registrations. This activity had been reported as a separated activity in the General Fund through December 31, 2004. Effective January 1, 2005, this activity is reported in a separate Community Development Enterprise Fund.

* * * * *

**COMBINING and INDIVIDUAL FUND FINANCIAL
STATEMENTS and SCHEDULES**

CHARTER TOWNSHIP OF DELHI
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	Special Revenue	Debt Service	Totals
<hr/>			
Assets			
Cash and cash equivalents	\$ 1,589,119	\$ 128,124	\$ 1,717,243
Investments	98,832	-	98,832
Accounts receivable	29,366	-	29,366
Taxes receivable	383,866	405,889	789,755
Special assessments receivable	743,707	25,930	769,637
Prepays	26,276	-	26,276
<hr/>			
<u>TOTAL ASSETS</u>	\$ 2,871,166	\$ 559,943	\$ 3,431,109
<hr/>			
<u>LIABILITIES AND FUND BALANCES</u>			
<hr/>			
Liabilities			
Accounts payable	\$ 25,149	\$ -	\$ 25,149
Accrued liabilities	8,117	-	8,117
Deferred revenue	1,118,276	434,391	1,552,667
<hr/>			
Total liabilities	1,151,542	434,391	1,585,933
<hr/>			
Fund balances			
Reserved for prepaids	26,276	-	26,276
Unreserved, designated for debt service	406,102	-	406,102
Unreserved, undesignated	1,287,246	125,552	1,412,798
<hr/>			
Total fund balances	1,719,624	125,552	1,845,176
<hr/>			
<u>TOTAL LIABILITIES, AND FUND BALANCES</u>	\$ 2,871,166	\$ 559,943	\$ 3,431,109
<hr/>			

CHARTER TOWNSHIP OF DELHI
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	Special Revenue	Debt Service	Totals
Revenue			
Taxes	\$ 373,147	\$ 411,445	\$ 784,592
Special assessments	21,899	7,611	29,510
Charges for services	225,320	-	225,320
Interest	79,000	9,857	88,857
Other	46,209	-	46,209
	<hr/>	<hr/>	<hr/>
Total revenue	745,575	428,913	1,174,488
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
Public safety	212,118	-	212,118
Other	3,809	-	3,809
Recreation and cultural	694,297	-	694,297
Debt service:			
Principal	72,419	420,193	492,612
Interest	55,902	44,690	100,592
Capital outlay	159,333	-	159,333
	<hr/>	<hr/>	<hr/>
Total expenditures	1,197,878	464,883	1,662,761
	<hr/>	<hr/>	<hr/>
Revenue under expenditures	(452,303)	(35,970)	(488,273)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Proceeds from sale of capital assets	154,451	-	154,451
Transfers in	592,216	261	592,477
Transfers out	(261)	-	(261)
	<hr/>	<hr/>	<hr/>
Total other financing sources	746,406	261	746,667
	<hr/>	<hr/>	<hr/>
Net changes in fund balances	294,103	(35,709)	258,394
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	1,425,521	161,261	1,586,782
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 1,719,624</u>	<u>\$ 125,552</u>	<u>\$ 1,845,176</u>

CHARTER TOWNSHIP OF DELHI
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	Water Improvement	Fire Equipment Replacement Millage	Parks and Recreation	Total
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 585,344	\$ 983,070	\$ 20,705	\$ 1,589,119
Investments	98,832	-	-	98,832
Accounts receivable	18,773	5,834	4,759	29,366
Taxes receivable	-	383,866	-	383,866
Special assessments receivable	743,707	-	-	743,707
Prepays	10,000	-	16,276	26,276
<u>TOTAL ASSETS</u>	<u>\$ 1,456,656</u>	<u>\$ 1,372,770</u>	<u>\$ 41,740</u>	<u>\$ 2,871,166</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ -	\$ 2,096	\$ 23,053	\$ 25,149
Accrued liabilities	-	-	8,117	8,117
Deferred revenue	724,779	393,497	-	1,118,276
Total liabilities	724,779	395,593	31,170	1,151,542
Fund balances				
Reserved for prepaids	10,000	-	16,276	26,276
Unreserved, designated for debt service	406,102	-	-	406,102
Unreserved, undesignated (deficit)	315,775	977,177	(5,706)	1,287,246
Total fund balances	731,877	977,177	10,570	1,719,624
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 1,456,656</u>	<u>\$ 1,372,770</u>	<u>\$ 41,740</u>	<u>\$ 2,871,166</u>

CHARTER TOWNSHIP OF DELHI
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Water Improvement	Fire Equipment Replacement Millage	Parks and Recreation	Total
Revenue				
Taxes	\$ -	\$ 373,147	\$ -	\$ 373,147
Special assessments	21,899	-	-	21,899
Charges for services	72,750	-	152,570	225,320
Interest	32,445	46,555	-	79,000
Other Revenue	13,465	3,868	28,876	46,209
Total revenue	140,559	423,570	181,446	745,575
Expenditures				
Current:				
Public safety	-	212,118	-	212,118
Other	3,809	-	-	3,809
Recreation and cultural	-	-	694,297	694,297
Debt service:				
Principal	39,128	-	33,291	72,419
Interest	41,164	-	14,738	55,902
Capital outlay	107,172	16,373	35,788	159,333
Total expenditures	191,273	228,491	778,114	1,197,878
Revenue over (under) expenditures	(50,714)	195,079	(596,668)	(452,303)
Other financing sources				
Proceeds from sale of capital assets	-	150,000	4,451	154,451
Transfers in	-	-	592,216	592,216
Transfers out	(261)	-	-	(261)
Total other financing sources	(261)	150,000	596,667	746,406
Net changes in fund balances	(50,975)	345,079	(1)	294,103
Fund balances, beginning of year	782,852	632,098	10,571	1,425,521
Fund balances, end of year	\$ 731,877	\$ 977,177	\$ 10,570	\$ 1,719,624

CHARTER TOWNSHIP OF DELHI
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007

	Water Improvement		
	Final Budget	Actual	Actual over (under) Final Budget
Revenue			
Taxes	\$ -	\$ -	\$ -
Special assessments	21,140	21,899	759
Charges for services	75,000	72,750	(2,250)
Interest	27,000	32,445	5,445
Other revenue	15,000	13,465	(1,535)
Total revenue	138,140	140,559	2,419
Expenditures			
Current:			
Public Safety	-	-	-
Other	8,820	3,809	(5,011)
Recreation and cultural	-	-	-
Debt service:			
Principal	39,130	39,128	(2)
Interest expense	41,240	41,164	(76)
Capital outlay	130,000	107,172	(22,828)
Total expenditures	219,190	191,273	(27,917)
Revenue over (under) expenditures	(81,050)	(50,714)	30,336
Other financing sources			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	(270)	(261)	9
Total other financing sources	(270)	(261)	9
Net changes in fund balances	(81,320)	(50,975)	30,345
Fund balances, beginning of year	782,852	782,852	-
Fund balances, end of year	\$ 701,532	\$ 731,877	\$ 30,345

Fire Equipment Replacement Millage		
Final Budget	Actual	Actual over (under) Final Budget
\$ 374,870	\$ 373,147	\$ (1,723)
-	-	-
-	-	-
37,000	46,555	9,555
-	3,868	3,868
411,870	423,570	11,700
211,870	212,118	248
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
28,600	16,373	(12,227)
240,470	228,491	(11,979)
171,400	195,079	23,679
150,000	150,000	-
-	-	-
-	-	-
150,000	150,000	-
321,400	345,079	23,679
632,098	632,098	-
\$ 953,498	\$ 977,177	\$ 23,679

Parks and Recreation		
Final Budget	Actual	Actual over (under) Final Budget
\$ -	\$ -	\$ -
-	-	-
153,490	152,570	(920)
-	-	-
30,640	28,876	(1,764)
184,130	181,446	(2,684)
-	-	-
-	-	-
719,240	694,297	(24,943)
-	-	-
33,300	33,291	(9)
14,740	14,738	(2)
35,800	35,788	(12)
803,080	778,114	(24,966)
(618,950)	(596,668)	22,282
4,450	4,451	1
614,500	592,216	(22,284)
-	-	-
618,950	596,667	(22,283)
-	(1)	(1)
10,571	10,571	-
\$ 10,571	\$ 10,570	\$ (1)

CHARTER TOWNSHIP OF DELHI
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2007

	Community Service Center	Pinetree Road	Water District 128	Total
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 47,988	\$ 80,136	\$ -	\$ 128,124
Taxes receivable	405,889	-	-	405,889
Special assessments receivable	-	25,930	-	25,930
<u>TOTAL ASSETS</u>				
	\$ 453,877	\$ 106,066	\$ -	\$ 559,943
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Deferred revenue	\$ 416,072	\$ 18,319	\$ -	\$ 434,391
Fund balances				
Unreserved, undesignated	37,805	87,747	-	125,552
<u>TOTAL LIABILITIES AND FUND BALANCES</u>				
	\$ 453,877	\$ 106,066	\$ -	\$ 559,943

CHARTER TOWNSHIP OF DELHI
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2007

	Community Service Center	Pinetree Road	Water District 128	Total
Revenue				
Taxes	\$ 411,445	\$ -	\$ -	\$ 411,445
Special assessments	-	7,611	-	7,611
Interest	5,682	4,098	77	9,857
Total revenue	417,127	11,709	77	428,913
Expenditures				
Debt service:				
Principal	380,000	30,193	10,000	420,193
Interest and fiscal charges	36,830	7,460	400	44,690
Total expenditures	416,830	37,653	10,400	464,883
Revenue over (under) expenditures	297	(25,944)	(10,323)	(35,970)
Other financing sources (uses)				
Transfers in	-	-	261	261
Net changes in fund balances	297	(25,944)	(10,062)	(35,709)
Fund balances, beginning of year	37,508	113,691	10,062	161,261
Fund balances, end of year	\$ 37,805	\$ 87,747	\$ -	\$ 125,552

CHARTER TOWNSHIP OF DELHI
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Debt Service Funds
For the Year Ended December 31, 2007

	Debt Service - Community Service Center		
	Final		Actual over
	Budget	Actual	(under) Final
			Budget
Revenue			
Taxes	\$ 410,410	\$ 411,445	\$ 1,035
Special assessments	-	-	-
Interest	5,700	5,682	(18)
Other revenue	-	-	-
Total revenue	416,110	417,127	1,017
Expenditures			
Debt service:			
Principal	380,000	380,000	-
Interest expense	36,840	36,830	(10)
Total expenditures	416,840	416,830	(10)
Revenue over (under) expenditures	(730)	297	1,027
Other financing sources			
Transfers in	-	-	-
Net changes in fund balances	(730)	297	1,027
Fund balances, beginning of year	37,508	37,508	-
Fund balances, end of year	\$ 36,778	\$ 37,805	\$ 1,027

Debt Service - Pinetree Road					
Final Budget		Actual		Actual over (under) Final Budget	
\$	-	\$	-	\$	-
	7,600		7,611		11
	4,000		4,098		98
	-		-		-
	11,600		11,709		109
					-
	30,200		30,193		(7)
	7,470		7,460		(10)
	37,670		37,653		(17)
	(26,070)		(25,944)		126
	-		-		-
	(26,070)		(25,944)		126
	113,691		113,691		-
\$	87,621	\$	87,747	\$	126

Debt Service - Water District 128					
Final Budget		Actual		Actual over (under) Final Budget	
\$	-	\$	-	\$	-
	-		-		-
	30		77		47
	310		-		(310)
	340		77		(263)
					-
	10,000		10,000		-
	400		400		-
	10,400		10,400		-
	(10,060)		(10,323)		(263)
	-		261		261
	(10,060)		(10,062)		(2)
	10,062		10,062		-
\$	2	\$	-	\$	(2)

CHARTER TOWNSHIP OF DELHI
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2007

	Trust and Agency	Current Tax	Total
Assets			
Cash and cash equivalents	\$ 192,694	\$ 15,977,751	\$ 16,170,445
Taxes receivable	333,542	15,324,904	15,658,446
	<hr/>		
Total assets	\$ 526,236	\$ 31,302,655	\$ 31,828,891
	<hr/>		
Liabilities			
Due to other governments	\$ -	\$ 31,302,655	\$ 31,302,655
Undistributed receipts	526,236	-	526,236
	<hr/>		
Total liabilities	\$ 526,236	\$ 31,302,655	\$ 31,828,891
	<hr/>		

CHARTER TOWNSHIP OF DELHI
All Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended December 31, 2007

	Balance January 1, 2007	Additions	Deductions	Balance December 31, 2007
Trust and Agency				
Assets				
Cash and cash equivalents	\$ 141,131	\$ 2,452,585	\$ 2,401,021	\$ 192,695
Taxes receivable	379,832	218,453	264,743	333,542
	<u>\$ 520,963</u>	<u>\$ 2,671,038</u>	<u>\$ 2,665,764</u>	<u>\$ 526,237</u>
Liabilities				
Undistributed receipts	\$ 520,963	\$ 2,909,642	\$ 2,904,368	\$ 526,237
	<u>\$ 520,963</u>	<u>\$ 2,909,642</u>	<u>\$ 2,904,368</u>	<u>\$ 526,237</u>
Current Tax				
Assets				
Cash and cash equivalents	\$14,546,722	\$41,465,592	\$40,034,563	\$ 15,977,751
Taxes receivable	16,528,405	42,073,582	43,277,082	15,324,905
	<u>\$31,075,127</u>	<u>\$83,539,174</u>	<u>\$83,311,645</u>	<u>\$ 31,302,656</u>
Liabilities				
Due to other governments	\$31,075,127	\$48,038,532	\$47,811,002	\$ 31,302,657
	<u>\$31,075,127</u>	<u>\$48,038,532</u>	<u>\$47,811,002</u>	<u>\$ 31,302,657</u>
Totals				
Assets				
Cash and cash equivalents	\$14,687,853	\$43,918,177	\$42,435,584	\$ 16,170,446
Taxes receivable	16,908,237	42,292,035	43,541,825	15,658,447
	<u>\$31,596,090</u>	<u>\$86,210,212</u>	<u>\$85,977,409</u>	<u>\$ 31,828,893</u>
Liabilities				
Undistributed receipts	\$ 520,963	\$ 2,909,642	\$ 2,904,368	\$ 526,237
Due to other governments	31,075,127	48,038,532	47,811,002	31,302,657
	<u>\$31,596,090</u>	<u>\$50,948,174</u>	<u>\$50,715,370</u>	<u>\$ 31,828,894</u>

CHARTER TOWNSHIP OF DELHI
Statement of Net Assets / Governmental Funds Balance Sheet
Brownfield Redevelopment Authority Component Unit
December 31, 2007

	Special Revenue Fund	Adjustments	Statement of Net Assets
Assets			
Cash and cash equivalents	\$ 5,670	\$ -	\$ 5,670
Taxes receivable	148,838	-	148,838
Total assets	<u>\$ 154,508</u>	-	154,508
Liabilities			
Accounts payable	\$ 854	-	854
Deferred/unearned revenue	148,838	-	148,838
Total liabilities	149,692	-	149,692
Fund balances			
Unreserved, undesignated	4,816	(4,816)	-
Total liabilities and fund balances	<u>\$ 154,508</u>		
Net assets			
Unrestricted		4,816	4,816
Total net assets		<u>\$ 4,816</u>	<u>\$ 4,816</u>

CHARTER TOWNSHIP OF DELHI
Statement of Activities / Governmental Funds Revenue,
Expenditures, and Changes in Fund Balances
Brownfield Redevelopment Authority Component Unit
For the Year Ended December 31, 2007

	Special Revenue Fund	Adjustments	Statement of Activities
Revenue			
Property taxes	\$ 210,907	\$ -	\$ 210,907
Interest	818	-	818
Total revenue	211,725	-	211,725
Expenditures/Expenses			
General government	231,013	-	231,013
Total expenditures/expenses	231,013	-	231,013
Change in fund balances / net assets	(19,288)	-	(19,288)
Fund balances / net assets, beginning of year	24,104	-	24,104
Fund balances / net assets, end of year	\$ 4,816	\$ -	\$ 4,816

CHARTER TOWNSHIP OF DELHI
Statement of Net Assets / Governmental Funds Balance Sheet
Downtown Development Authority Component Unit
December 31, 2007

	Governmental		
	Downtown Development Authority	Project 9 Infrastructure Debt Service	College Water/Sewer Debt Service
Assets			
Cash and cash equivalents	\$ 137,287	\$ 515	\$ 20,793
Investments	4,811,006	-	-
Taxes receivable	3,023,361	-	-
Other receivables	30,875	-	-
Prepaid items	7,109	-	-
Capital assets not being depreciated	-	-	-
Capital assets being depreciated, net	-	-	-
Total assets	<u>\$ 8,009,638</u>	<u>\$ 515</u>	<u>\$ 20,793</u>
Liabilities			
Accounts payable	\$ 159,901	\$ -	\$ 138
Accrued liabilities	5,250	-	-
Interest payable	-	-	-
Due to other governments	672,196	-	-
Due to primary government	170,790	-	-
Deferred revenue	2,365,092	-	-
Long-term liabilities:			
Due within one year	-	-	-
Due in more than one year	-	-	-
Total liabilities	<u>3,373,229</u>	<u>-</u>	<u>138</u>
Fund balances			
Reserved for prepaid items	7,109	-	-
Unreserved, undesignated	4,629,300	515	20,655
Total fund balances	<u>4,636,409</u>	<u>515</u>	<u>20,655</u>
Total liabilities and fund balances	<u>\$ 8,009,638</u>	<u>\$ 515</u>	<u>\$ 20,793</u>
Net assets			
Invested in capital assets, net of related debt			
Unrestricted			
Total net assets			

Funds

College Water/Sewer Capital Projects		Total	Adjustments	Statement of Net Assets
\$	-	\$ 158,595	\$ -	\$ 158,595
	-	4,811,006	-	4,811,006
	-	3,023,361	-	3,023,361
	-	30,875	-	30,875
	-	7,109	-	7,109
	-	-	5,517,181	5,517,181
	-	-	1,442,120	1,442,120
<hr/>				
\$	-	\$ 8,030,946	6,959,301	14,990,247
<hr/>				
\$	-	\$ 160,039	-	160,039
	-	5,250	-	5,250
	-	-	23,565	23,565
	-	672,196	-	672,196
	-	170,790	-	170,790
	-	2,365,092	-	2,365,092
	-	-	310,907	310,907
	-	-	3,696,797	3,696,797
<hr/>				
	-	3,373,367	4,031,269	7,404,636
<hr/>				
	-	7,109	(7,109)	-
	-	4,650,470	(4,650,470)	-
<hr/>				
	-	4,657,579	(4,657,579)	-
<hr/>				
\$	-	\$ 8,030,946		
<hr/>				
			2,976,996	2,976,996
			4,608,615	4,608,615
<hr/>				
			\$ 7,585,611	\$ 7,585,611
<hr/>				

CHARTER TOWNSHIP OF DELHI
Statement of Activities / Governmental Funds Revenue,
Expenditures, and Changes in Fund Balances
Downtown Development Authority Component Unit
For the Year Ended December 31, 2007

	Downtown Development Authority	Project 9 Infrastructure Debt Service	Governmental College Water/Sewer Debt Service
Revenues			
Property taxes	\$ 3,481,027	\$ -	\$ -
Charges for services	51,965	-	-
Interest and rentals	280,342	1,293	910
	<hr/>	<hr/>	<hr/>
Total program revenues	3,813,334	1,293	910
	<hr/>	<hr/>	<hr/>
Expenditures/expenses			
General government	1,884,356	-	-
Debt service:			
Principal	77,770	75,000	140,000
Interest	38,781	79,138	73,036
Capital outlay	821,227	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures/ expenses	2,822,134	154,138	213,036
	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	991,200	(152,845)	(212,126)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Transfers in	-	120,488	212,898
Transfers out	(333,386)	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(333,386)	120,488	212,898
	<hr/>	<hr/>	<hr/>
Change in fund balances/net assets	657,814	(32,357)	772
	<hr/>	<hr/>	<hr/>
Fund balances / net assets, beginning of year	3,978,595	32,872	19,883
	<hr/>	<hr/>	<hr/>
Fund balances / net assets, end of year	<u><u>\$ 4,636,409</u></u>	<u><u>\$ 515</u></u>	<u><u>\$ 20,655</u></u>

Funds				
College				
Water/Sewer				
Capital Projects	Total	Adjustments	Statement of Activities	
\$ -	\$ 3,481,027	\$ -	\$ 3,481,027	
-	51,965	-	51,965	
-	282,545	-	282,545	
-	3,815,537	-	3,815,537	
-	1,884,356	(597,758)	1,286,598	
-	292,770	(292,770)	-	
-	190,955	(1,331)	189,624	
-	821,227	(821,227)	-	
-	3,189,308	(1,713,086)	1,476,222	
-	626,229	1,713,086	2,339,315	
-	333,386	(333,386)	-	
-	(333,386)	333,386	-	
-	-	-	-	
-	626,229	1,713,086	2,339,315	
-	4,031,350	1,214,946	5,246,296	
\$ -	\$ 4,657,579	\$ 2,928,032	\$ 7,585,611	

STATISTICAL SECTION

Dell Charter Township
Net Assets By Component
Last Five Fiscal Years
Net Assets By Component

	Fiscal Year Ended			
	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt:				
Restricted	\$ 4,097,858	\$ 2,747,773	\$ 2,904,787	\$ 4,180,266
Unrestricted	934,921	1,340,368	1,676,748	1,586,782
Total governmental activities net assets	4,626,633	4,428,042	4,136,777	3,404,342
Business-type activities				
Invested in capital assets, net of related debt:				
Restricted	\$ 22,554,025	\$ 27,311,338	\$ 30,568,426	\$ 30,873,207
Unrestricted	2,341,490	3,440,595	3,275,154	3,244,209
Total business-type activities net assets	8,498,052	4,750,275	3,865,016	4,322,440
Primary government	\$ 33,393,567	\$ 35,502,208	\$ 37,708,596	\$ 38,439,856
Invested in capital assets, net of related debt:				
Restricted	\$ 26,651,883	\$ 30,059,111	\$ 33,473,213	\$ 35,053,473
Unrestricted	3,276,411	4,780,963	4,951,902	4,830,991
Total primary government net assets	13,124,685	9,178,317	8,001,793	7,726,782
	\$ 43,052,979	\$ 44,018,391	\$ 46,426,908	\$ 47,611,246
				\$ 48,401,005

GASB 34 was adopted in 2003. Data for this schedule is unavailable in years preceding 2003.

Delhi Charter Township
Changes in Net Assets
Last Five Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended				
	2003	2004	2005	2006	2007
Expenses					
Governmental activities:					
Legislative		\$ 53,147	\$ 52,334	\$ 52,332	\$ 61,598
General governmental	2,348,086	1,975,126	1,834,790	1,932,514	2,248,507
Public Safety	3,796,061	3,743,943	3,629,755	3,890,919	4,083,262
Public Works	905,791	-	-	-	467,234
Engineering	-	151,759	70,538	-	-
Community development	-	341,779	-	-	-
Recreation & cultural	614,243	670,705	741,668	770,980	823,026
Infrastructure	-	415,552	350,107	488,254	-
Other governmental activities	-	218,691	209,611	237,858	16,410
Interest on long-term debt	219,529	171,868	139,856	115,218	103,955
Total governmental activities	<u>7,883,710</u>	<u>7,742,568</u>	<u>7,028,659</u>	<u>7,488,075</u>	<u>7,803,992</u>
Business-type activities:					
Sewer	4,444,272	5,124,559	5,304,487	5,423,789	5,493,927
Community Development	-	-	545,424	599,503	698,192
Total business-type activities	<u>4,444,272</u>	<u>5,124,559</u>	<u>5,849,911</u>	<u>6,023,292</u>	<u>6,192,119</u>
Total primary government expenses	<u>\$ 12,327,982</u>	<u>\$ 12,867,127</u>	<u>\$ 12,878,570</u>	<u>\$ 13,511,367</u>	<u>\$ 13,996,111</u>
Program revenues					
Charges for services:					
General government	377,398	596,127	617,892	711,798	813,504
Public safety	580,478	945,328	504,341	546,463	590,840
Public works	635,989	-	-	-	-
Community development	-	29,880	-	-	-
Recreation and cultural	109,214	108,695	127,318	115,240	152,570
Operating grants and contributions	59,833	506,673	459,807	608,514	217,929
Capital grants and contributions	-	306,076	(3,396)	114,693	258,803
Total governmental activities program revenues	<u>1,762,912</u>	<u>2,492,779</u>	<u>1,705,962</u>	<u>2,096,698</u>	<u>2,033,646</u>

Continued

	Fiscal Year Ended				
	2003	2004	2005	2006	2007
Business-type activities:					
Charges for services:					
Sewer	\$ 5,335,388	\$ 5,401,343	\$ 5,678,173	\$ 5,404,117	\$ 5,010,784
Community development:					
Operating grants and contributions	-	-	601,864	450,926	412,815
Capital grants and contributions	-	161,079	250,731	388,458	493,867
Total business-type activities program revenues	253,957	901,587	1,550,284	253,243	322,539
Total primary government program revenues	5,589,345	6,464,009	8,080,852	6,506,744	6,240,005
Total primary government net expense	\$ 7,352,257	\$ 8,956,783	\$ 9,786,814	\$ 8,603,442	\$ 8,273,651
Net: (Expense)/Revenue					
Governmental activities	(6,120,798)	(5,249,789)	(5,322,697)	(5,391,377)	(5,770,346)
Business-type activities	1,145,079	1,339,450	2,230,941	463,452	47,886
Total primary government net expense	\$ (4,975,725)	\$ (3,910,339)	\$ (3,091,756)	\$ (4,907,925)	\$ (5,722,460)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Property taxes	3,034,627	2,837,256	3,083,557	3,325,504	3,482,728
State shared revenues	1,956,061	1,846,592	1,845,018	1,798,179	1,765,856
Grants and contributions not restricted to specific program	546,427	564,271	313,785	311,693	536,536
Unrestricted investment earnings	100,474	114,606	147,015	273,927	306,428
Gain (loss) on sale of capital assets	6,160	331,980	110,928	10,945	162,393
Intra-entity transfer	383,529	-	-	(5,017)	(122,486)
Transfers	443,172	-	-	-	-
Total governmental activities	6,470,450	5,694,705	5,500,303	5,715,231	6,131,455
Business-type activities:					
Investment earnings	198,152	-	-	-	-
Other	251,823	-	-	-	-
Intra-entity transfer	-	-	-	5,017	122,486
Transfers	(443,172)	-	-	-	-
Grants and contributions not restricted to specific program	-	-	-	242,789	258,278
Total business-type activities	16,803	-	-	247,806	380,764
Total primary government	\$ 6,487,253	\$ 5,694,705	\$ 5,500,303	\$ 5,963,037	\$ 6,512,219
Change in Net Assets					
Governmental activities	\$ 349,652	\$ 444,916	\$ 177,606	\$ 323,854	\$ 361,109
Business-type activities	1,161,876	1,339,450	2,230,941	731,258	428,650
Total primary government	\$ 1,511,528	\$ 1,784,366	\$ 2,408,547	\$ 1,055,112	\$ 789,759

Engineering and infrastructure expenses were split out from Public Works expenses beginning in 2004.
The Community Development activity became an enterprise fund in 2005.
GASB 34 was adopted in 2001. Data for this schedule is unavailable in years preceding 2003.

DELHI CHARTER TOWNSHIP
FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	For Fiscal Year Ended									
	1998	1999	2000	2001	2002	2003*	2004**	2005	2006	2007
General Fund										
Reserved	\$ 612,567	\$ 712,005	\$ 800,683	\$ 691,957	\$ 672,013	\$ 665,254	\$ 22,249	\$ 17,181	\$ 16,879	\$ 131,422
Unreserved	1,901,910	2,302,862	2,375,616	2,985,265	3,227,804	3,336,559	3,594,274	3,478,017	2,810,035	2,757,433
Total general fund	\$ 2,514,477	\$ 3,014,867	\$ 3,276,299	\$ 3,677,222	\$ 3,899,817	\$ 4,001,813	\$ 3,616,523	\$ 3,495,198	\$ 2,826,914	\$ 2,888,855
All other Governmental Funds										
Reserved	\$ 1,445,279	\$ 1,081,455	\$ 888,400	\$ 1,686,589	\$ 777,346	\$ 391,894	\$ 2,702	\$ 2,322	\$ 1,697	\$ 26,276
Unreserved, reported in:										
Special revenue funds	35,447	194,770	297,972	562,849	937,156	1,322,000	620,877	1,047,526	1,423,826	1,693,348
Debt service funds	-	-	-	-	-	-	716,789	626,900	161,259	125,552
Total all other governmental funds	\$ 1,480,726	\$ 1,276,226	\$ 1,186,372	\$ 2,249,239	\$ 1,714,502	\$ 1,713,894	\$ 1,340,368	\$ 1,678,748	\$ 1,586,782	\$ 1,845,176

* The Township implemented GASB Statement No. 34 in 2003. This resulted in an increase to the December 31, 2002 fund balance by \$282,719.

** Beginning fund balance was decreased by \$46,084 due to a restatement.

DELHI CHARTER TOWNSHIP
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)

	12/31/1998	12/31/1999	12/31/2000	12/31/2001	12/31/2002	12/31/2003	12/31/2004	12/31/2005	12/31/2006	12/31/2007
Revenues										
Taxes	\$ 2,190,091	\$ 2,313,957	\$ 2,476,557	\$ 2,629,030	\$ 2,705,846	\$ 2,949,759	\$ 2,837,256	\$ 3,043,557	\$ 3,325,504	\$ 3,482,728
Special assessments	173,692	167,931	243,690	131,084	181,604	99,388	332,282	283,497	302,707	369,267
Intergovernmental	2,128,899	3,131,950	4,146,262	2,393,690	2,399,756	2,009,211	2,233,400	1,948,687	1,896,695	2,054,131
Fees and charges	311,979	383,024	380,096	363,015	470,019	635,909	470,630	16,262	17,215	16,959
Charges for services	658,713	700,829	775,989	867,014	939,730	1,081,182	1,203,400	1,233,289	1,387,884	1,612,695
Interest	374,804	314,083	388,208	319,561	221,106	85,582	123,919	196,732	364,870	385,285
Other	537,105	668,192	751,089	862,601	893,143	986,282	933,347	876,789	880,388	961,883
Total revenues	6,377,273	7,679,776	9,462,191	7,593,985	7,871,404	7,787,393	8,140,234	7,638,813	8,165,453	8,522,958
Expenditures										
Legislative							53,147	52,394	52,392	81,589
General government	1,251,213	1,370,781	1,459,692	1,611,891	1,754,695	1,837,345	2,035,617	1,907,548	2,046,388	2,083,561
Public safety	2,225,543	2,552,033	2,767,745	3,078,107	3,385,031	3,626,658	3,521,507	3,479,152	3,679,179	3,881,356
Engineering			134,497	141,279	148,671	130,891	141,751	80,529		
Infrastructure	47,531	396,596	577,480	589,082	608,129	763,795	415,552	350,107	488,254	467,234
Community development							339,990			
Recreation and cultural	381,335	395,467	422,114	458,186	504,547	546,032	615,878	622,848	630,761	604,297
Other	515,858	310,436	188,738	112,293	184,698	205,754	218,601	208,611	230,413	264,989
Debt service										
Principal	399,087	454,810	371,938	3,238,783	472,510	358,486	468,210	438,209	530,462	504,763
Interest	389,433	385,260	414,270	378,132	472,251	223,270	187,401	134,391	113,902	160,592
Capital outlay	1,838,547	3,249,101	5,442,424	2,523,716	2,748,868	619,059	1,890,847	219,857	1,201,701	255,292
Total expenditures	7,067,547	9,114,484	11,718,840	12,160,569	10,257,398	8,311,230	9,627,591	7,594,686	8,943,392	8,253,262
Excess of revenues over (under) expenditures	(670,274)	(1,434,688)	(2,256,650)	(4,566,574)	(2,385,994)	(513,837)	(1,487,357)	104,127	(777,939)	269,676
Other Financing Sources (Uses)										
Proceeds from long-term debt		1,328,000		2,325,000	1,092,300		500,000		24,710	173,145
Issuance of refunding debt							2,365,000			
Payment to refund bond escrow agent							(2,353,080)			
Proceeds from sale of capital assets					31,332	8,173	230,476	110,928		
Bond premium	50	20,901	12,410	60,000						
Inter-entity transfers in							12,229			
Transfers in	458,448	794,952	3,186,173	4,489,295	1,754,359	304,540	804,397	621,003	794,517	592,477
Transfers out	(463,445)	(413,273)	(782,347)	(785,932)	(744,147)	(504,540)	(804,397)	(621,003)	(799,534)	(714,963)
Total other financing sources (uses)	15,050	1,730,578	2,420,236	6,028,363	2,073,853	391,707	774,625	110,928	9,693	50,659
Net change in fund balances	\$ (655,224)	\$ 295,890	\$ 171,578	\$ 1,463,789	\$ (312,141)	\$ (122,190)	\$ (712,732)	\$ 215,055	\$ (758,246)	\$ 329,335
Debt service as a percentage of non-capital expenditures	15.1%	14.3%	12.5%	37.5%	12.6%	7.8%	7.5%	8.8%	7.9%	7.6%

DELIH CHARTER TOWNSHIP
ASSESSED VALUE AND
TAXABLE VALUE OF PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Fiscal Year Ended December 31	Agricultural Property	Commercial Property	Industrial Property	Residential Property	Developmental Property	Personal Property	Total Taxable Value	Total Direct Tax Rate	Assessed Value	Taxable Value as a Percentage of Assessed Value
1998	\$ 2,563,701	\$ 53,988,422	\$ 13,956,445	\$ 300,950,003	\$ 1,311,566	\$ 32,133,659	\$ 437,901,777	5.8450	\$ 441,437,518	92.40%
1999	2,498,491	61,889,050	7,065,152	320,876,112	1,226,560	36,685,100	430,030,475	5.7566	474,657,400	90.60%
2000	2,515,880	70,150,870	7,205,183	341,511,884	1,293,203	33,378,800	455,101,720	5.6629	505,140,500	90.29%
2001	1,397,143	76,790,522	7,522,536	375,826,884	1,437,989	37,343,115	500,888,189	5.6565	548,498,450	91.32%
2002	2,025,784	85,654,626	8,132,215	409,937,566	-	38,441,912	544,392,103	5.5880	609,018,900	89.39%
2003	2,318,418	85,532,326	13,766,815	442,823,750	-	40,305,800	585,748,109	5.5253	678,378,800	86.35%
2004	2,331,465	99,636,533	14,109,294	481,682,386	-	40,517,100	638,276,778	5.3370	740,846,400	86.14%
2005	2,590,787	111,556,779	15,460,538	525,702,625	-	45,210,400	700,521,229	5.3262	811,331,950	86.34%
2006	2,218,367	114,894,632	15,051,118	572,239,358	-	45,827,750	751,301,225	5.3282	867,761,750	86.58%
2007	2,468,072	121,108,641	14,121,340	606,104,452	-	45,577,255	790,379,760	5.3064	890,124,785	88.79%

Source: Township Assessing Department

DELHI CHARTER TOWNSHIP
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(PER \$1,000 OF ASSESSED VALUATION)

Fiscal Year Ended December 31	Delhi Charter Township				Overlapping Rates								Total Direct & Overlapping Rates		
	Fire Equip & Training		Debt		Ingham County		Ingham Intermediate School		Lansing Community College		State Education Tax			Holt School District	
	Operating Millage	Total Millage	Service Millage	Total Millage	Operating Millage	Total Millage	Operating Millage	Total Millage	Operating Millage	Total Millage	Operating Millage	Total Millage		Debt Service Millage	Total School Millage
1998	4.5744	0.4972	0.7734	5.8450	10.1711	6.1913	2.9355	6.0000	0.0000	7.0000	7.0000	36.1429			
1999	4.5391	0.4933	0.7242	5.7566	10.1438	6.1615	2.9220	6.0000	0.0000	7.0000	7.0000	37.9839			
2000	4.5041	0.4895	0.6693	5.6629	10.4177	6.1354	2.9106	6.0000	0.0000	10.0000	10.0000	41.1266			
2001	4.4698	0.4857	0.7010	5.6565	10.4348	6.1042	3.8926	6.0000	0.0000	10.0000	10.0000	42.0881			
2002	4.4456	0.4830	0.6594	5.5880	11.6815	6.0738	3.8733	5.0000	0.0000	10.0000	10.0000	43.2166			
2003	4.3940	0.4942	0.6371	5.5253	12.2489	6.0553	3.8544	5.0000	0.0000	10.0000	10.0000	42.5839			
2004	4.3403	0.4881	0.5086	5.3370	12.2038	6.0291	3.8375	6.0000	0.0000	10.0000	10.0000	43.4074			
2005	4.3094	0.4846	0.5322	5.3262	12.2566	5.9911	3.8112	6.0000	0.0000	10.0000	10.0000	43.3851			
2006	4.3094	0.4846	0.5342	5.3282	13.1731	5.9881	3.8072	5.0000	0.0000	10.0000	10.0000	44.2966			
2007	4.3094	0.4846	0.5124	5.3064	13.1538	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	44.2555			

Non-homestead school operating millage

1998	18.0000
1999	17.9298
2000	17.7751
2001	17.6724
2002	17.6724
2003	17.4574
2004	17.3171
2005	17.3171
2006	17.3171
2007	17.3171

Source: Township Assessing Department

DELHI CHARTER TOWNSHIP
TOP TEN PRINCIPAL

TAX PAYERS

CURRENT YEAR AND TEN YEARS AGO

Schedule 7
Unaudited

	2007				1998			
	Taxpayer	Taxable Value	Rank	Percentage of Total Twp Taxable Value	Taxable Value	Rank	Percentage of Total Twp Taxable Value	
	RSDC of Michigan, LLC	\$ 28,369,200	1	3.4%	\$ 8,808,200	2	2.2%	
	Consumers Energy	9,989,890	2	1.2%	8,819,500	1	2.2%	
	Taylor Steel America, LLC	9,502,350	3	1.1%				
	Woodland Lakes Investment Group	7,134,560	4	0.9%	3,417,628			
	Dart Container Corp of MI	5,208,548	5	0.6%	3,420,850	3	0.8%	
	Delhi Partners Limited Dividend	4,364,950	6	0.5%	1,949,769	8	0.5%	
	Bondarenko Ltd LLC	4,264,355	7	0.5%				
	Parker Hannifin Corp	3,929,400	8	0.5%	336,271	4	0.1%	
	DTN Enterprises LLC	3,882,741	9	0.5%				
	Stealth Medical Technologies LLC	3,567,750	10	0.4%				
	Theroux Development Co				2,487,256	6	0.6%	
	Media One				3,050,750	5	0.7%	
	Huntley Villa I & II				1,962,200	7	0.5%	
	Cedar Park Shopping Center				1,938,992	9	0.5%	
	Moran Foods				1,884,287	10	0.5%	

Source: Township Assessing Department

DELHI CHARTER TOWNSHIP
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected with the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 2,171,349	\$ 2,162,319	99.6%	\$ 12,388	\$ 2,174,707	100.2%
1999	2,386,263	2,379,593	99.7%	13,578	2,393,171	100.3%
2000	2,471,213	2,464,583	99.7%	24,338	2,488,921	100.7%
2001	2,578,062	2,567,827	99.6%	111,904	2,679,731	103.9%
2002	2,830,963	2,803,073	99.0%	64,402	2,867,475	101.3%
2003	3,039,438	3,031,870	99.8%	34,801	3,066,671	100.9%
2004	3,360,749	3,337,169	99.3%	51,127	3,388,296	100.8%
2005	3,539,253	3,528,780	99.7%	66,269	3,595,049	101.6%
2006	3,843,446	3,841,629	100.0%	51,976	3,893,605	101.3%
2007	4,308,253	4,293,608	99.7%	34,651	4,328,259	100.5%

Ingham County reimburses the Township for all delinquent real property tax.
Delinquent personal property tax, interest, and penalty is collected in subsequent years.

DELHI CHARTER TOWNSHIP
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Business-type Activities							Total			
	General Obligation Bonds	Special Assessment Bonds	General Assessment Bonds	Note Payable	Capital Lease	Installment Purchase Agreement	General Obligation Bonds		Special Assessment Bonds		Revenue Bonds	Notes Payable		Loans Payable	Total Primary Government	Port Capital
1998	\$ 3,490,000	\$ 957,498	\$ -	\$ 202,160	\$ -	\$ -	\$ 955,000	\$ 2,495,402	\$ 16,000	\$ 9,097,368	\$ -	\$ 17,213,428	786			
1999	3,350,000	840,587	-	35,000	97,260	-	885,000	2,240,613	5,000	8,489,303	-	15,942,783	717			
2000	3,190,000	727,678	-	-	33,282	-	805,000	1,969,324	-	7,904,857	-	14,854,139	649			
2001	3,005,000	620,165	-	-	-	-	750,000	1,751,835	-	7,548,173	-	13,873,173	596			
2002	3,832,500	507,634	-	-	-	-	5,857,700	1,510,345	-	6,617,345	-	18,325,345	785			
2003	3,572,325	409,143	-	-	-	-	8,172,675	1,268,857	-	5,932,374	-	19,734,197	831			
2004	3,339,025	317,750	-	-	500,000	-	7,940,975	1,031,250	-	5,248,259	-	18,734,565	777			
2005	2,984,060	229,557	-	-	486,667	-	7,620,940	793,643	-	4,535,000	-	16,965,456	692			
2006	2,597,430	160,964	-	-	433,379	-	7,287,570	586,036	-	3,885,000	-	15,254,789	612			
2007	2,178,303	120,771	-	-	400,088	-	6,931,697	435,228	-	3,405,000	1,280,410	14,933,763	599			

* Based on population estimates.

DELHI CHARTER TOWNSHIP
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Schedule 10
Unaudited

Fiscal Year	General Obligation Bonds	Percentage of Taxable Value of Property	Per Capita*
1998	\$ 3,490,000	0.86%	\$ 159.41
1999	3,350,000	0.78%	150.69
2000	3,190,000	0.70%	141.34
2001	3,005,000	0.60%	130.89
2002	3,832,300	0.70%	164.15
2003	3,572,325	0.61%	150.50
2004	3,339,025	0.52%	138.41
2005	2,984,060	0.43%	121.73
2006	2,597,430	0.35%	104.24
2007	2,178,303	0.28%	87.42

* Based on population estimates.

DELHI CHARTER TOWNSHIP
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2007

Schedule 11
Unaudited

Jurisdiction	Net General Bonded Debt Outstanding	Percent Applicable to Delhi	Amount Applicable to Delhi
Holt School District	\$ 104,456,231	84.71%	\$ 88,484,873
Mason School District	28,010,000	10.45%	2,927,045
Lansing School District	69,395,000	0.04%	27,758
Eaton Rapids School District	48,647,780	1.38%	671,339
Ingham County	32,706,403	10.06%	3,290,264
Ingham Intermediate School District	1,745,000	0.26%	4,537
Lansing Community College	71,985,000	7.01%	5,046,149
Subtotal, overlapping debt			100,451,965
Delhi Charter Township direct debt	14,933,764	100.00%	14,933,764
Total direct and overlapping debt			<u>\$ 115,385,729</u>

Source: Municipal Advisory Council of Michigan

DELHI CHARTER TOWNSHIP
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2005	2007
Debt limit:	\$ 44,143,752	\$ 47,465,740	\$ 50,514,050	\$ 54,849,845	\$ 59,001,880	\$ 67,837,280	\$ 74,094,640	\$ 81,133,195	\$ 86,776,175	\$ 89,012,479
Total net debt applicable to limit	17,703,160	18,332,260	19,638,292	17,770,614	22,340,982	23,948,262	22,510,710	20,498,343	18,772,570	18,360,068
Legal debt margin	26,440,592	29,133,480	30,875,758	37,079,231	46,660,898	43,889,018	51,583,930	60,634,846	68,003,605	70,652,411
Total net debt application to the limit as a percentage of debt limit	40.10%	38.62%	38.88%	32.40%	32.38%	35.30%	30.39%	25.27%	21.63%	20.63%

Legal Debt Margin Calculation for Fiscal Year 2007

2007 State Equalized Valuation (SEV)	890,124,785
x 10%	
Legal Debt Limit (10% of SEV)	<u>89,012,479</u>
Direct General Obligation Debt	18,916,068
Less:	
Special Assessment Bonds	<u>556,000</u>
Net Direct Debt	18,360,068
Debt Limit Margin	<u>\$ 70,652,411</u>

DELHI CHARTER TOWNSHIP
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Schedule 13
Unaudited

Fiscal Year	Population (estimated)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate ¹
1998	21,893	n/a	n/a	n/a	5,335	3.3%
1999	22,231	n/a	n/a	n/a	5,328	2.7%
2000	22,569	538,158	23,845	35.9	5,329	2.6%
2001	22,958	n/a	n/a	n/a	5,308	3.6%
2002	23,347	n/a	n/a	n/a	5,507	4.2%
2003	23,736	n/a	n/a	n/a	5,705	5.0%
2004	24,125	n/a	n/a	n/a	5,866	6.4%
2005	24,514	n/a	n/a	n/a	5,947	6.2%
2006	24,917	n/a	n/a	n/a	6,005	6.4%
2007	24,917	n/a	n/a	n/a	5,998	6.0%

¹ Unemployment rate in Ingham County.

Source: Michigan Employment Security Commission, 2000 U.S. Census

DELHI CHARTER TOWNSHIP
PRINCIPAL EMPLOYER
CURRENT YEAR AND TEN YEARS AGO

Schedule 14
Unaudited

	2007				1998			
	Approx No. Employed	Rank	Percentage of Total Township Employment		Approx No. Employed	Rank	Percentage of Total Township Employment	
Holt Public Schools	855	1	n/a		716	1	n/a	
RSCD of Michigan, LLC	300	2	n/a					
Granger Construction	271	3	n/a					
Dakkota Integrated Interiors	167	4	n/a					
Stealth Engineering & Technologies	150	5	n/a					
Delhi Charter Township	104	6	n/a					
Parker-Hannifin Corporation	91	7	n/a					
Lansing Christian School	80	8	n/a					
Molded Plastic Industries	65	9	n/a		100	5	n/a	
Dart Container	43	10	n/a					
Spartan International					190	2	n/a	
McLean Screen Print Inc					110	3	n/a	
Holt Products Company Inc.					100	4	n/a	
Vinylast Inc.					40	6	n/a	
Grable & Sons Metal Products					35	7	n/a	
IDC Corp					30	8	n/a	
Spartan Sign					28	9	n/a	
Grand Rapids Sash & Door					25	10	n/a	

Source: Lansing Regional Chamber of Commerce and the Township
Total Township employment is unavailable.

DELHI CHARTER TOWNSHIP
FULL-TIME EQUIVALENT TOWNSHIP GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government	16.75	16.75	17.25	18.00	19.00	20.50	20.50	20.63	20.10	19.94
Public Safety										
Police										
Officers	18.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Civilians	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Fire										
Firefighters and officers	12.70	13.00	14.70	16.40	18.60	17.30	17.20	17.41	17.66	17.66
Civilians	1.50	1.50	1.50	2.00	2.00	1.50	1.50	1.50	1.50	1.50
Public Works	19.00	20.50	20.50	23.50	23.50	24.50	25.50	27.25	28.84	29.60
Engineering	2.00	2.00	2.00	2.00	2.00	1.50	1.50	.	.	.
Community Development	6.50	6.00	5.50	6.00	6.00	6.00	6.00	7.00	7.50	7.50
Recreation and Culture	5.00	5.00	5.00	5.00	5.00	5.00	5.50	5.00	5.50	5.80
Total	82.95	87.25	88.95	95.40	98.60	98.80	100.20	101.29	103.60	104.50

Source: Townships Budget Documents and Human Resources

**DELHI CHARTER TOWNSHIP
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Schedule 16
Unaudited

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Fire										
Number of Calls	1,474	1,408	1,676	1,750	1,742	1,850	1,818	2,053	2,055	2,122
Inspections	n/a	40	785	925	900	1,178	957	1,188	1,046	1,004
Burning/Recreational Permits	n/a	1,138	1,306	1,329	1,472	1,331	1,964	1,901	1,367	956
Police										
Number of Traffic Accidents	747	724	791	747	955	890	779	872	736	928
Number of Written Complaints	4,687	4,484	5,492	5,530	4,878	4,673	4,644	4,525	4,459	4,728
Number of Miles Driven	154,790	137,627	8,834	137,844	105,368	198,475	174,376	163,754	193,006	153,892
Vehicle Stops	5,509	6,038	4,855	6,744	8,048	8,013	7,011	5,609	5,429	7,849
Accounting										
Number of W-2's processed	383	339	404	406	447	369	345	293	356	314
Number of payroll checks processed	n/a	n/a	n/a	n/a	n/a	n/a	2,933	2,456	2,614	2,345
Number of purchase orders processed	n/a	n/a	n/a	n/a	n/a	n/a	1,314	1,061	873	795
Number of accounts payable checks processed	2,774	2,743	2,975	3,312	3,159	2,992	3,571	2,753	2,830	2,881
Assessing										
Number of Field Inspections	n/a	n/a	n/a	206	403	1,438	2,236	1,242	2,485	801
Clerk's Office										
Number of FOIA requests	n/a	n/a	45	18	43	56	122	77	56	65
Number of pages scanned/microfilmed	36,000	38,400	87,500	70,200	60,000	64,000	113,708	73,166	21,452	19,985
Elections										
Number of Registered Voters	14,402	14,151	14,923	15,084	15,294	15,734	16,578	16,804	16,723	17,016
Number of Permanent Absentee Voters	1,109	1,065	1,170	1,361	1,337	1,251	1,251	1,815	1,766	2,010
Treasurer's Office										
Average Number of Sewer Bills per Month	5,700	5,647	5,871	6,037	6,187	6,435	6,852	7,000	7,150	7,157
Number of Tax Bills-Two billings/year beg. 2003	7,800	8,262	9,577	9,872	9,969	18,187	18,534	19,154	19,875	20,110
Culture & Recreation										
Number of Athletic Teams	n/a	241	235	236	244	247	242	253	290	231
Number of Sr. Citizens Trips	n/a	8	6	6	6	8	8	8	8	9
Tennis Lessons	n/a	215	227	309	261	204	201	196	200	165
Wastewater										
Average daily sewage treatment (millions of gallons per day)	2.03	1.95	2.35	2.84	2.31	2.12	2.87	2.23	3.00	2.45
Community Development										
Permits Issued	1,615	1,744	1,633	1,831	1,970	2,287	2,136	1,858	1,526	1,629
Code Enforcement Complaints	n/a	n/a	1,697	1,203	1,127	1,718	547	677	592	1,441

Source: Various Township Departments

**DELHI CHARTER TOWNSHIP
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Schedule 17
Unaudited

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Culture and Recreation										
Parks Acreage	74	74	79	85	95	95	110	110	110	120
Parks	5	5	5	6	7	7	8	8	9	9
Senior Center	1	1	1	1	1	1	1	1	1	1
Buildings	2	2	2	2	2	2	2	2	2	2
Tennis Courts	8	8	8	8	8	8	8	8	8	8
Sewer										
Sanitary Sewers (miles)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	123.35	124.25
Maximum daily treatment capacity (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	4	4	4
General Government										
Cemeteries	1	1	1	1	2	2	2	2	2	2
Community Service Center	1	1	1	1	1	1	1	1	1	1

Sources: Various Township Departments



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP



April 22, 2008

The Board of Trustees
Charter Township of Delhi
Holt, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *Delhi Charter Township* for the year ended December 31, 2007, and have issued our report thereon dated April 22, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated March 19, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the Township. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our correspondence about planning matters on February 26, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of vacation banks.

We evaluated the key factors assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No adjusting entries were made for the year ending December 31, 2007.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 22, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Entity's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information and the following accounting memorandum is intended solely for the use of the Board of Trustees and management of the *Delhi Charter Township* and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Lehmann Johnson", written in a cursive style.

DELHI CHARTER TOWNSHIP

Accounting Memorandum

For the Year Ended December 31, 2007

In planning and performing our audit of the financial statements of the Delhi Charter Township as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we did identify two deficiencies that we consider to be significant deficiencies as discussed below. We did not consider these deficiencies to be material weaknesses, as defined above.

Computer Passwords

We understand that computer passwords at the network and financial accounting software level are not changed on a regular basis. In order to reduce the risk of access to computer files by unauthorized personnel, we recommend that the Township institute a policy that requires passwords to be changed on a regular basis. For the size and complexity of Delhi Charter Township, once every six months would be adequate. The Township may also wish to investigate building into its software automatic expiration of passwords to ensure that they are changed periodically.

DELHI CHARTER TOWNSHIP

Accounting Memorandum (Concluded)

For the Year Ended December 31, 2007

IT Security

In order to provide adequate security to computer system operations and valuable assets such as system hardware, software, and data, procedures should be developed to address employee terminations. During our review, it came to our attention that terminated employees were not being removed from the system for three or four weeks. Typical termination procedures have the IT department immediately deleting terminated employees' passwords from the system.

Other Matters

OPEB Liability

Delhi Charter Township, as well as other governmental units which offer other post employment benefits (health and life insurance benefits to retirees, or "OPEB") are going to require recording the annual cost and liability in the annual financial statements. Up until this new accounting standard is implemented, governmental units, including the Authority, have been on a "pay as you go" or cash basis to reflect these costs in their financial statements. This accounting treatment stays in place for the Township through the fiscal year ended December 31, 2008.

Then, for fiscal year 2009, this new reporting standard will require an actuarial report in order to determine funding requirements to force recording of a liability while service is rendered (normal cost), plus an adjustment for past service costs (called amortization of actuarial accrued liability). The amount of the annual "ARC" expense must be recorded on each entity's financial statements. To the extent that this annual "ARC" amount is not currently funded, the under-funding must be reported on the entity's balance sheet as a liability.

This comment is intended as an informational point. Accordingly, the Township should make sure all preparations and forecasts are addressed as the implementation date draws nearer. As necessary, we will be available to assist the Township in this implementation.

* * * * *